



No borders, no distances

Annual report 2010



TransContainer is the leading intermodal container transportation company in Russia. The company owns about 60% of the total flatcar fleet in Russia, holds 52% of the rail container transportation market and 32% of the container terminal handling market in Russia. Transcontainer also owns about 60,000 ISO containers, owns a network of rail-side container terminals, which are located at 46 railway stations in Russia, and operates one container terminal in Slovakia.

TransContainer's customer base comprises of more than 200,000 customers. The company's sales network comprises of 149 sales outlets across Russia as well as a presence in the CIS, Europe and Asia.

TransContainer is listed on the MICEX, RTS and London Stock exchanges. The company's major shareholder is Russian Railways which has a 50% shareholding +2 shares.

Disclaimer

This annual report (the "Annual Report") has been prepared using information available to Joint Stock Company Center for Cargo Container Traffic TransContainer (the "Company") and its subsidiaries (together, the "Group") as at the date thereof, including information obtained from third parties.

This Annual Report may also contain certain forecasts concerning the business, economic indicators, financial condition, results of the business and production activities of the Company and the Group, its plans, projects and expected results, dividend and capital expenditure policy, and trends related to prices, tariffs, transportation volumes, terminal handling, production and consumption, expenses, expected costs, development prospects, useful life of assets and other similar factors, economic forecasts relating to the industry and markets, dates of the beginning and completion of projects on acquisition, closing, abandoning, or selling of certain enterprises (including related costs).

Words such as "intends", "seeks", "projects", "expects", "estimates", "plans", "believes", "assumes", "may", "should", "will", "continues" and other similar expressions usually point to the forward-looking nature of the statement.

Due to their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that the assumptions, projections, forecasts and other forward-looking statements will not be fulfilled. In light of the above risks, uncertainties and assumptions, the Company cautions that actual results may differ materially from those directly or indirectly expressed in such forward-looking statements, which are valid only as of the date of this Annual Report.

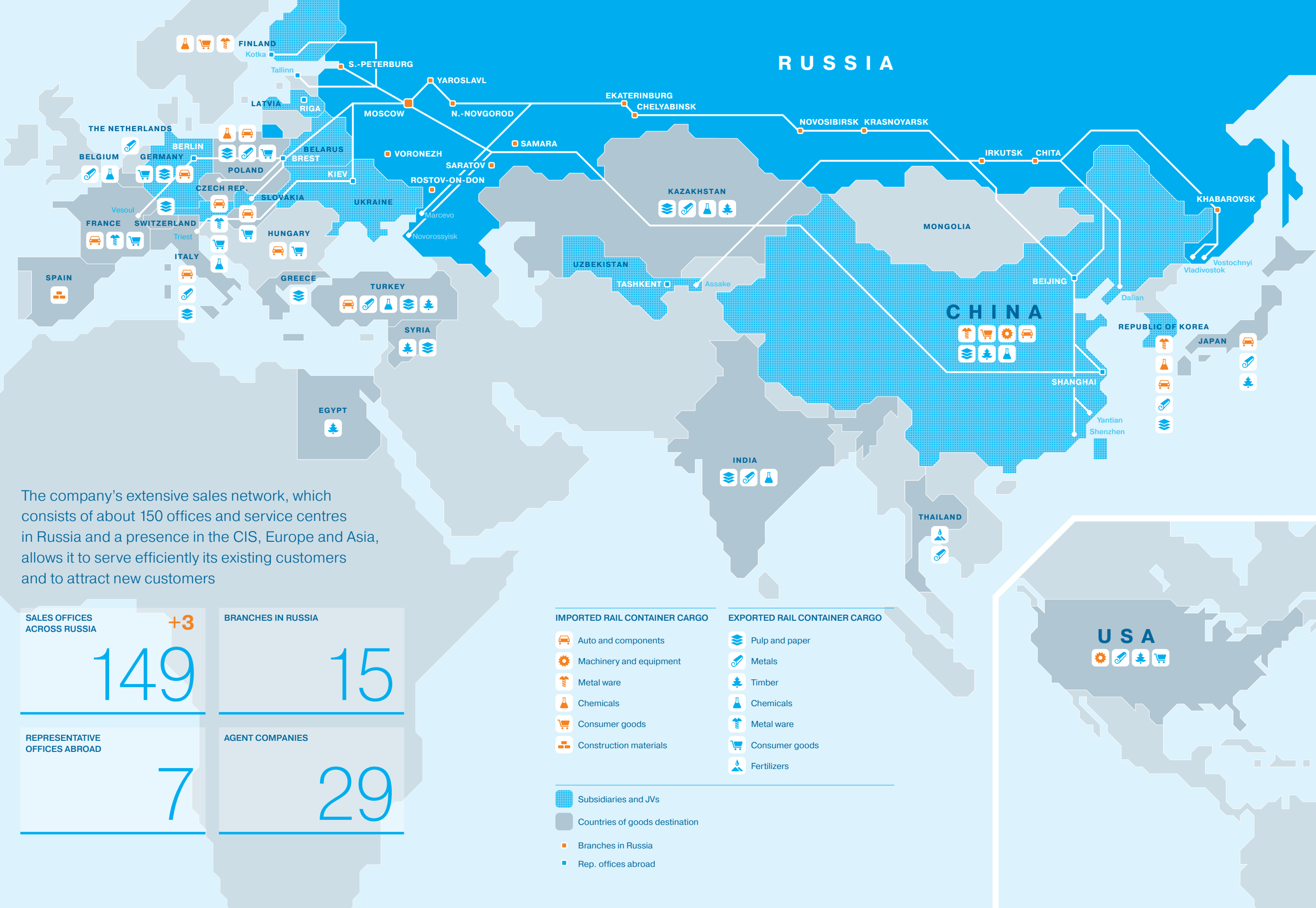
The Company neither confirms nor guarantees that the performance results anticipated in the forward-looking statements will be achieved. The Company will not be liable for any losses that may be incurred by individuals or legal entities acting in reliance on forward-looking statements. In each instance, such forward-looking statements represent only one of numerous possible scenarios and should not be viewed as the most likely scenario.

In addition, certain other factors may affect the financial and operational performance of the Company or the Group, as well as their plans, projected results, capital expenditure and other aspects of their operations, such as changes in macroeconomic or market conditions, the actions of governmental authorities in the Russian Federation and other jurisdictions in which the Group develops or operates assets, including changes to tax, environmental and other legislation and regulatory matters. The above-indicated material factors do not purport to be exhaustive. In taking the forward-looking statements into account, the above factors should be thoroughly scrutinized, in particular the economic, social and legal aspects of the Company's and the Group's operations.

Other than as expressly prescribed by applicable law, the Company does not assume any obligation to publish updates and amendments to the forward-looking statements, based on either new information or on subsequent events.



for more information visit our website
www.trcont.ru



The company's extensive sales network, which consists of about 150 offices and service centres in Russia and a presence in the CIS, Europe and Asia, allows it to serve efficiently its existing customers and to attract new customers

SALES OFFICES ACROSS RUSSIA

149

+3

BRANCHES IN RUSSIA

15

REPRESENTATIVE OFFICES ABROAD

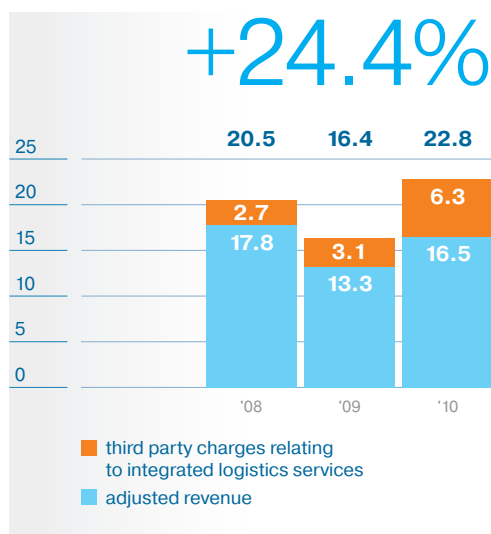
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AGENT COMPANIES

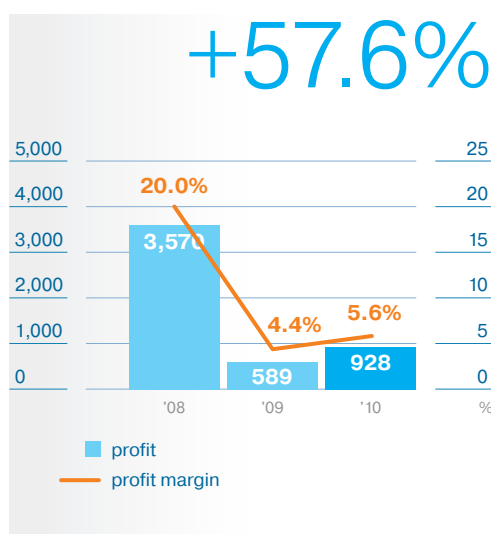
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Highlights

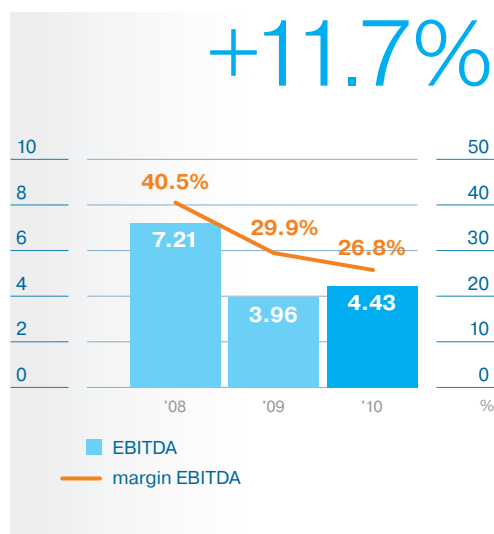
TOTAL REVENUE AND ADJUSTED REVENUE (RUR BN)



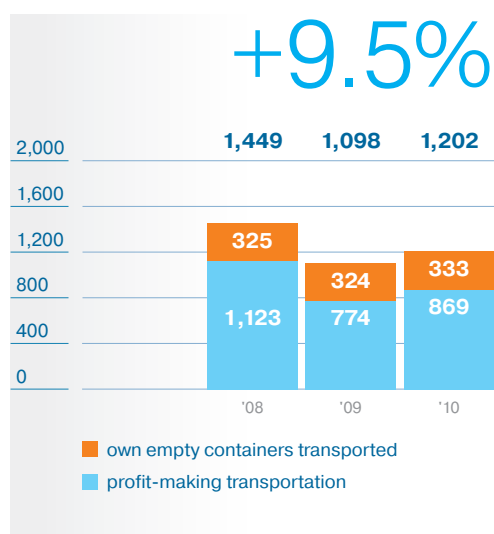
PROFIT FOR THE YEAR AND MARGIN (RUR MN)



EBITDA AND ADJUSTED EBITDA MARGIN (RUR BN)



CONTAINER TRANSPORTATION BY TC'S FLATCAR FLEET, 2008-2010 ('000 TEU)



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ADDITIONAL INFORMATION 65

Source: Company



The transaction's success and the subsequent share price performance clearly demonstrate investors' positive views about the overall progress of the reform process and the quality of the preparation by TransContainer itself

Chairman' statement

Dear Shareholders,

Last year saw events that were significant for not only TransContainer, but also the Russian railway industry as a whole. For the first time in Russia's national railway reform, a Russian Railways subsidiary conducted a public placement in the equity market to both local and international investors. Since 12 November 2010, TransContainer's shares have been traded on Russia's main exchanges, the RTS and MICEX, while the Global Depositary Receipts are traded on the London Stock Exchange.

The transaction's success and the subsequent share price performance clearly demonstrate investors' positive views about overall progress in the reform process and the quality of the preparations by TransContainer itself: in terms of timeliness and the quality of reporting under IFRS, corporate governance, the business model and development strategy, the Company has proved that it meets the highest international standards.

The placement also caused changes in the Company's ownership structure: Russian Railways' stake decreased to 50% plus two shares, while new Russian and international investors became shareholders. As a result, there were changes on the Board of Directors. I would like to take this opportunity to thank sincerely the former directors for their professionalism and significant contribution to the Company's successful development and preparations for the public placement.

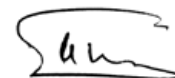
Last year also brought the long-awaited recovery of the container shipment market. In 2010, the volume of rail container traffic in Russia rose by 20% year-on-year, much faster than the rise in general cargo shipments. An improvement in the operating environment as well as the Company's efforts in enhancing efficiency resulted in improved financial results: in 2010, total revenue increased by 39.3%, operating income by 25.0%, and net profit by 57.6%.

This trend continued in early 2011. The shareholders and the Board of Directors are therefore confident of TransContainer's ability as a market leader to fully exploit the renewed opportunities to develop container shipments. In 2011, the Company has set itself ambitious goals: to increase container transportation volumes and improve profitability. Capital expenditure totaling 4.1 billion rubles is planned in order to further optimize the Company's asset structure and increase operational efficiency. Entering into the promising Kazakh market and developing transit transportation between China and CIS countries – and, in the future, between China and Europe – is a project of strategic importance for Trans-

Container this year. Fulfillment of these tasks will have a positive effect on the industry as a whole and will strengthen the Company's position as a leading container operator in the wide-gauge area.

On behalf of the Board of Directors, I would like to thank the shareholders of TransContainer for their trust and support, and I wish our employees every success in working towards our new goals.

Yours sincerely,



PAVEL ILYICHEV

Chairman of
the Board of Directors
TransContainer



Our financial results vindicated our strategy, devised during the crisis, of focusing primarily on maintaining business profitability rather than pushing for volume



CEO' review

Dear Shareholders, Investors, Partners and Colleagues,

Last year was one of qualitative change for our Company. In 2010, the container market began to recover after one of the most serious economic crises in recent history, and TransContainer continued to strengthen its positions in strategically important markets. Subsidiaries were established in South Korea and Austria, and a joint venture was launched in China. Finally, in 2010, TransContainer's shares were admitted for trading on stock exchanges in Russia and abroad. As a result, the Company now has several hundred shareholders. For us, this takes the challenges facing the management to a fundamentally new level, and brings with it much greater responsibility.

I am pleased to inform you that in 2010, TransContainer was able to deliver the promises that it made to investors during the recent public offering. Shipment volumes by our own fleet rose by 9.5% year-on-year to 1.2 million TEU, while the container throughput at the Company's terminals came to 1.5 million TEU, up 6.8%.

Our financial results vindicated the strategy, which TransContainer devised during the crisis, of focusing primarily on maintaining business profitability rather than on volumes. In 2010, the Company adopted a flexible pricing policy, optimized expenses and focused on developing integrated logistics services using our competitive advantages: solid market positions, a unique asset base and an extensive sales network. During the year, we improved the turnover of flatcars (from 15.7 days to 14.2 days) and containers from 27.7 to 21.8 days and reduced the container empty run ratio from 41.4% to 39.1%, as well as almost doubling the volume of container transportation under integrated logistics contracts (from 210,000 to 374,000 TEU).

As a result, the Company's total revenue under IFRS increased by 39.3% to 22.8 billion rubles. EBITDA totaled 4.4 billion rubles, compared with 3.9 billion rubles in 2009, and profit for the year increased by 57.6% to 928 million rubles.

As in previous years, TransContainer's investment program in 2010 focused on improving efficiency and the structure of the flatcar fleet, as well as modernizing key container terminals. During the year, the Company acquired 1,698 80-foot platforms (including purchases of platforms leased). The fleet's capacity rose from 70,500 TEU as at 31 December 2009 to 71,200 TEU as at 31 December 2010. In terms of TEU, 80-foot containers now account for 24.7% of the Company's fleet, up from 17.4% last year.

Last year, many investors from Russia and abroad invested their money in TransContainer's securities, in both the equity and the debt markets. In 2011, our task will be to justify that trust, take maximum advantage of the country's renewed economic growth, strengthen our leadership, and embark on a path of long-term sustainable expansion.

I believe that with the support of Russian Railways and TransContainer's new shareholders, our established partnerships with clients and contractors, and the professionalism and responsibility of all our staff, we are ideally positioned for success.

Yours sincerely,

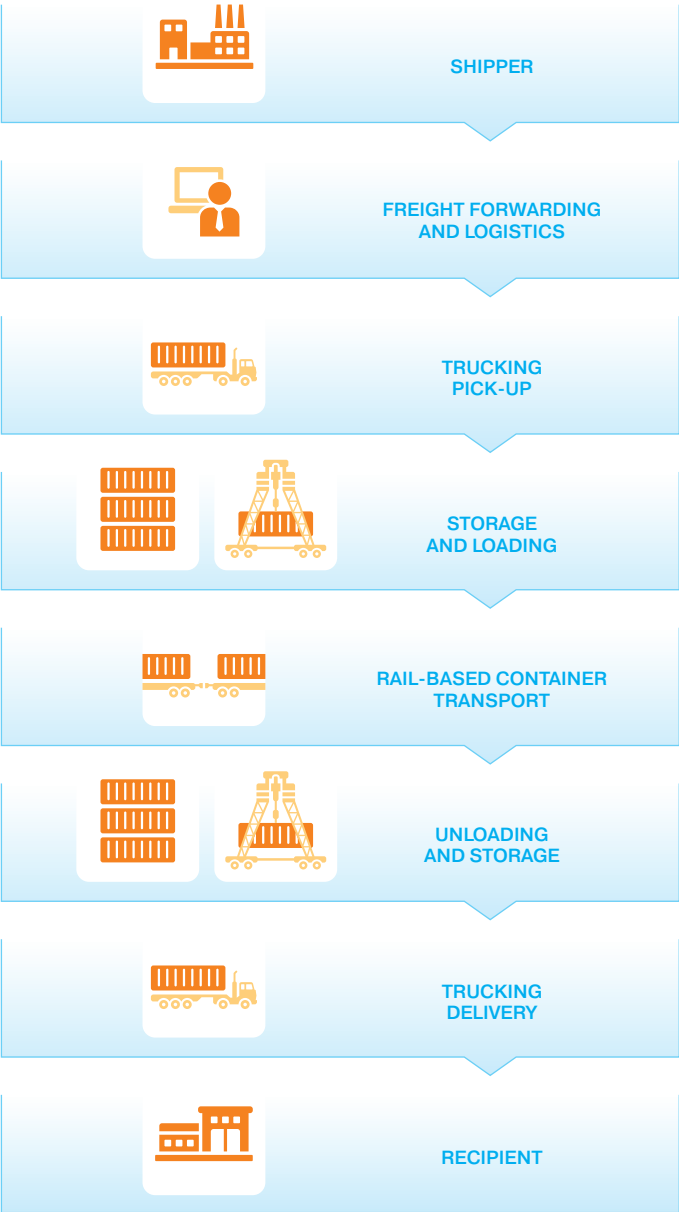


PETR BASKAKOV

General Director
TransContainer

Key areas of activity

TransContainer presence throughout the logistics supply chain



Rail-based container transportation services

28

TOTAL CONTAINERS TRANSPORTED
USING COMPANY ROLLING STOCK

1,202 +9.5%
'000 TEU*



- Providing rolling stock to haul clients' freight in containers
- Providing rolling stock to haul clients' containers
- Providing flatcars and containers on a lease basis
- Shipment services for specialized containers

ASSETS

24,255
flatcars

58,784
ISO containers,
including 2,008 specialized
containers

55,478
medium-duty containers (MDCs)

SHARE OF REVENUES ****

42.3%

* including shipments under through-rate tariffs

**** as a percentage of adjusted revenue, as described below

Freight forwarding and logistics services

32

FREIGHT SHIPPED UNDER INTEGRATED
LOGISTICS CONTRACTS

374 **+78.1%**
'000 TEU**



- Freight forwarding, including preparing transportation documentation, customs clearance, etc.
- Container freight monitoring, planning and optimizing delivery schedules
- Organizing "door-to-door" multi-modal container deliveries on the basis of integrated logistics contracts

ASSETS

149
sales offices
in Russia

23
country
presence

7
representative
offices

3
joint
ventures

3
subsidiaries

29
agents
and regional
partners abroad

SHARE OF REVENUES ****

34.2%

** loaded containers

Terminal and agency services

30

PROCESSED AT COMPANY
TERMINALS

1,505 **+6.8%**
'000 TEU***



- Loading, unloading and storing containers (under an agency agreement with Russian Railways)
- Additional terminal services (loading/unloading goods into/from containers, preparing containers for loading, etc)
- Bonded warehousing services

ASSETS

46
own container terminals at railway
stations in Russia

1
container terminal in Slovakia
(long-term lease)

11
bonded warehouses

258
units of lifting equipment

SHARE OF REVENUES ****

13.8%

*** loaded and empty containers

Truck deliveries

31

SHIPPED

590 **-1.0%**
'000 TEU



- Transporting containers between rail terminals and clients' warehouses
- Transporting under customs control and delivering containers from customs stations to clients' warehouses

ASSETS

318
truck tractors

501
semi-trailers

85
trucks

SHARE OF REVENUES ****

9.2%

Key operating and financial highlights

	2007	2008	2009	2010
Key operating indicators				
Flatbed transportation volume ('000 TEU), of which	1,302.5	1,448.6	1,097.9	1,202.2
domestic routes	826.7	915.7	746.0	719.3
international routes	475.8	532.9	351.9	482.9
Terminal handling ('000 TEU)	1,972.3	1,858.4	1,408.7	1,504.9
Key financial indicators (mln rubles)				
Total revenue	13,375	20,494	16,400	22,841
Adjusted revenue*	13,270	17,806	13,262	16,502
EBITDA	4,493	7,211	3,963	4,427
Operating income	2,689	4,924	1,674	2,093
Profit for the year	1,934	3,570	589	928
EBITDA margin	33.9%	40.5%	29.9%	26.8%
Operating margin	20.3%	27.7%	12.6%	12.7%
Net margin	14.6%	20.0%	4.4%	5.6%
Equity (end of period)	14,671	18,122	18,443	19,376
Debt (end of period)	388	4,277	6,581	7,026
Total assets	21,080	29,049	30,741	33,631
Ratings				
Credit ratings	–	–	Moody's: Ba2 Fitch: BB+	Moody's: Ba2 Fitch: BB+
GAMMA (Standard & Poor's)	–	5+	6	6
National corporate governance rating	–	6	6+	7

* Adjusted revenue is calculated as total revenue less third-party charges relating to integrated logistics services

Main events in 2010

March

LAUNCH OF PSA PEUGEOT-CITROËN PROJECT

TransContainer and PSA Peugeot-Citroën launched a project to ship auto components. The project began with the arrival of the first container train at Vorotynsk (Kaluga Region) on 10 March 2010, delivering 36 40-foot High Cube containers filled with auto parts from Peugeot-Citroën to the assembly plant of PSMA-Rus (a joint venture between PSA Peugeot-Citroën and Mitsubishi Automotive).

TRANSCONTAINER SERIES 01 BONDS INCLUDED ON MICEX A1 LIST

TransContainer's Series 01 bonds were included on the A1 list of the Moscow International Currency Exchange (MICEX). The A1 list comprises the most liquid securities from issuers that are in a secure financial position, have an excellent reputation for corporate management, and have an international credit rating.

April

SHIPMENT OF BULK CARGO USING FLEXI-TANKS

TransContainer carried out the first experimental shipment in Russia of non-hazardous liquid cargos using flexi-tanks. This was possible thanks to a series of successful trials of flexi-tanks by the Company in late 2009 and early 2010.

June

NEW TYPE OF CONTAINER: OPEN-TOP

To expand the list of freight types suitable for container transport, TransContainer added to its fleet a new type of “open-top” container, which does not have a rigid roof.

ISSUE OF 3 BILLION RUBLES IN SERIES 02 BONDS

Under challenging market conditions, TransContainer successfully placed 3 billion rubles in five-year amortizing bonds with a fixed coupon of 8.8%. The issue was almost three times oversubscribed.

July

REGULAR SHIPMENTS BETWEEN DUISBURG AND MOSCOW

The Russian-German joint venture Trans-Eurasia Logistics GmbH, with support from TransContainer and DB Intermodal, launched regular container shipments between the German city of Duisburg and Moscow. A train bearing the name “Moskvich” (“Muscovite”) runs once a week, covering the 2,200 kilometer route in 107 hours.

August

ESTABLISHMENT OF TRANSCONTAINER EUROPE GMBH

TransContainer Europe GmbH, a fully owned subsidiary of TransContainer, was established in Austria. Its key goals are to expand TransContainer’s international presence in growth areas of the container shipment market, to develop long-term cooperation with European partners to provide high-quality logistics services to customers, and to create the right conditions to develop container shipments by rail from China to Europe.

ESTABLISHMENT OF TRANSCONTAINER ASIA PACIFIC LTD

TransContainer Asia Pacific Ltd, a fully owned subsidiary of TransContainer, was established in South Korea. It will offer integrated logistics solutions for container shipments from South Korea to Russian regions and countries in Eastern and Western Europe.

November

PUBLIC OFFERING OF TRANSCONTAINER’S SHARES ON MICEX, RTS AND LSE

TransContainer held a public offering of 36% minus two shares of its stock. The shares started to trade on MICEX and the RTS, Russia’s two leading stock exchanges. Global depository receipts, carrying the right to shares in the Company, were admitted for trading on the Main Market of the London Stock Exchange.

December

RUSSIAN-CHINESE JOINT VENTURE RAIL-CONTAINER LLC LAUNCHED

The official opening ceremony of the Russian-Chinese joint venture Rail-Container LLC was held on 6 December 2010. The company’s founders were TransContainer (49%) and China Railway International Multimodal Transport (CRIMT; 51%). Rail-Container LLC will provide a full range of transportation and logistics solutions for container shipments by rail between China and Russia, and China and Europe, using terminals and logistics centers in China and Russia. Its initial priority will be to build up shipments at the Manchuria-Zabaikalsk and Alashankou-Dostyk border crossings.

Net income growth was due to an increase in volumes and improvements in operational efficiency

Flatcar turnover and empty run ratios improved

+6.8%
terminal throughput

+9.5%
container transportation volumes

+25.2%
operating income

+57.6%
profit for the year

**An increase
in international
container
traffic** resulted
from the expansion
of our business

Subsidiaries and
JVs were established
in Austria, South
Korea and Slovakia

New routes were
added from and
to Italy, France,
Netherlands,
Slovakia, Japan,
China and Germany

+11.3%
export
transportation

+52.5% **+98.6%**
transit import
transportation transportation



**The improvement
in the quality
and reliability**
of the company's
services was
due to the modernization
of its asset base

The reconstruction
of the terminals at
Kleschikha, Kostarikha
and Sverdlovsk-Tovarny;
a 7-fold increase
in container throughput
at Dobra terminal

to 25%

an increase in share of 80-foot
flatcars in the fleet structure

to 71.2 ths. TEU

an increase in fleet capacity

by 2 yrs.

a decrease of the fleet's
average age

A new bonded
warehouse was
opened on the
Privolzhskaya
railway

The company's services become more attractive

for customers because
of the provision
of integrated
logistics solutions

+78%

an increase in transportation
volumes under integrated
logistics contracts

27.0%

the share
of revenues from
integrated logistics
services in Adjusted
Revenue

2009: 16.7%

Container transportation market

World container shipment market

According to Morgan Stanley Research, the volume of the global container shipment market in 2010 was 150 million TEU. The main container flows were from east to west (trans-Atlantic and Asia-Europe), accounting for some 63 million TEU, while shipments between Asian countries totaled around 50 million TEU.

Over the last 30 years, the global container market has expanded at an average annual rate of 8.4%, or 2.7 times faster than average annual global GDP growth, due to the development of global trade and a rise in containerization, which reached 65% in 2010.

In 2010, the global container market saw renewed demand for shipments and higher prices for sea freight following the sharp declines of 2009. However, at the end of the year, prices for sea freight began to decrease again.

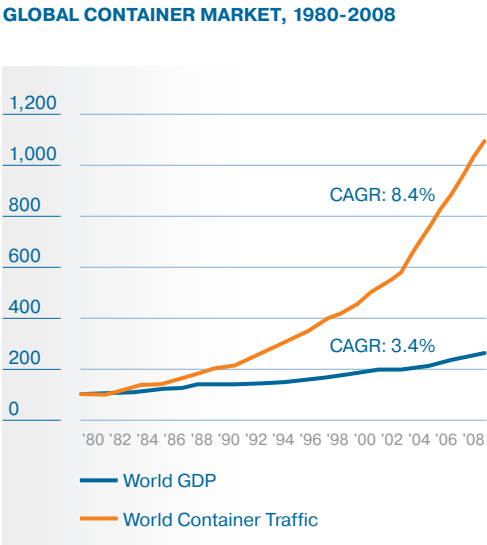
	Volume	Share
East-west, total	62,550	42%
of which		
trans-Pacific	20,152	13%
Asia-Europe/Mediterranean	20,964	14%
trans-Atlantic	5,362	4%
other	16,071	11%
North-south	25,671	17%
Intra-regional, total	62,302	41%
of which		
within Asia	50,217	33%
withing Europe	7,404	5%
other	4,682	35
Global shipment volumes	150,523	100%

Source: Morgan Stanley Research

The main reason for this, according to Morgan Stanley Research, is that operators have increased sea-fleet tonnage faster than demand has risen. The increase in the container fleet is a result of operators' investment activity during 2003-07, when order volumes remained persistently high and there was a fleet-capacity shortage. Another factor in the growth of the container fleet in 2010 was that major operators switched to larger-tonnage ships (over 10,000 TEU), which are more economical.

Drewry forecasts that prices for sea freight on east-west routes will decline by 4% in 2011, before stabilizing in 2012.

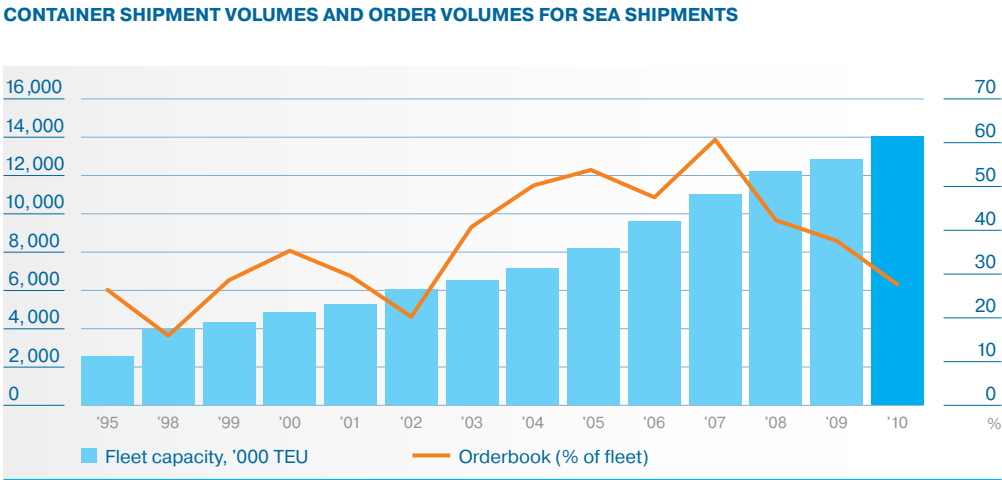
Morgan Stanley Research estimates that containerization has reached almost 100% in European and US markets. The key areas of growth in the global container market over the next few years, according to Morgan Stanley Research, will be Africa, India and other Asian countries, along with Latin America and Russia.



Source: Drewry



Source: Drewry



Source: Drewry, Alphaliner

Russian container transportation market

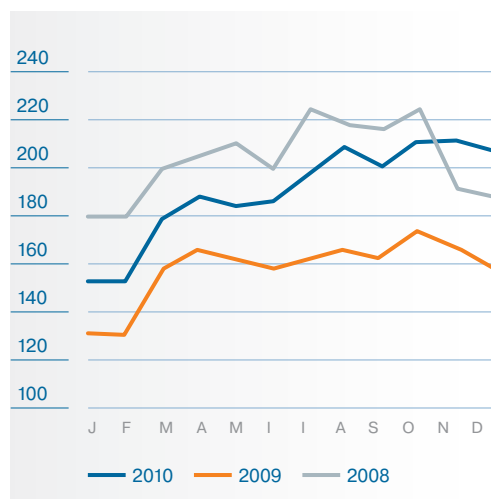
In 2010, the Russian rail container shipment market recovered swiftly after a difficult 2009. The total number of containers shipped on Russian Railways' network was 2.3 million TEU, up 20% year-on-year. The recovery started in March, before becoming a sustained trend in the second half of 2010.

The rise in shipments was driven by the post-crisis recovery of both the global and Russian economies and by positive macroeconomic factors. According to preliminary figures from the State Statistics Service, Russia's GDP climbed by 4%, industrial output by 11.8%, real disposable income by 4.3%, imports by 28.1%, and exports by 11.9%. An additional factor in the recovery of railway shipment volumes in 2010 was the ongoing increase in containerization in railway shipments. The Company estimates that the share of containerized freight shipped on Russian Railways' network rose from 3.26% in 2009 to 3.72% in 2010.

The fastest recovery rates were seen on railway container shipments on international routes, which increased by 31.2% in 2010, while domestic shipments grew by 10.0%. As a result, the structure of the market has virtually returned to pre-crisis levels, with international shipments accounting for 52% and domestic shipments decreasing from 53% in 2009 to 48% in 2010.

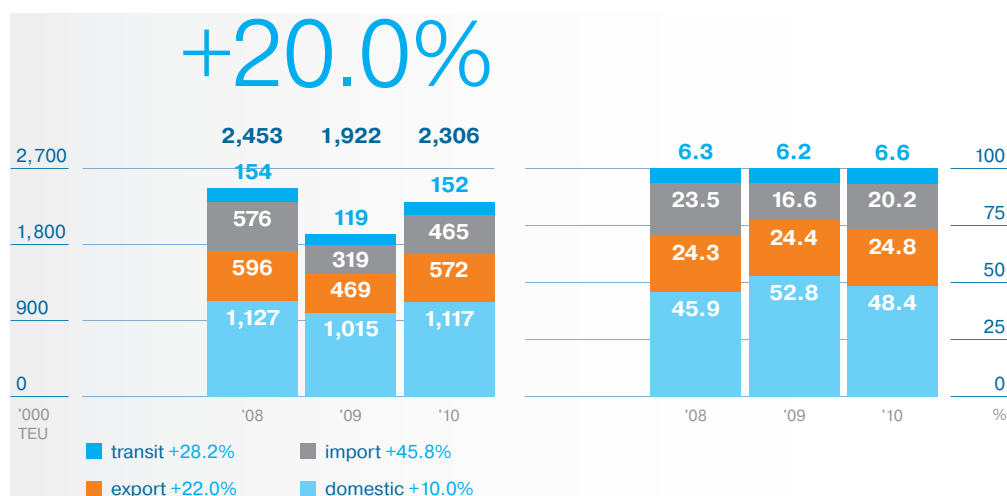
In 2011, the Company expects the Russian container market to be driven primarily by the overall economic environment in Russia and by international trade patterns. Despite the continuing rise in key macroeconomic indicators, downside risks remain due to possible external volatility. In the longer term, the expansion of the Russian container market will be supported by GDP growth, Russia's integration into global trade systems, and the continued increase in containerization towards global averages.

CONTAINER SHIPMENT VOLUMES ON RUSSIAN RAILWAYS' NETWORK, 2008-10 ('000 TEU)



Source: Russian Railways, Company

RUSSIAN RAILWAY CONTAINER SHIPMENTS BY TYPE OF TRANSPORT ('000 TEU)



Source: Russian Railways, Company

Container transportation market

Russian container transportation market (continued)

Import transportation

Import rail container transportation was the fastest growing segment in 2010, climbing by 45.8% year-on-year from 319,000 TEU to 465,000 TEU. This was due to the comparison starting from a low base (imports were hit particularly hard in 2009, declining by 44.7%) and a number of economic factors positively influencing import volumes, including ruble appreciation, increased consumer confidence and renewed consumer lending from banks.

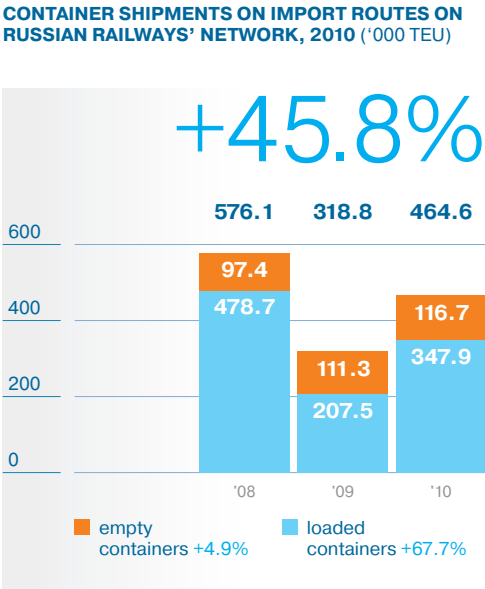
Another factor was the rise in sea freight tariffs on east-west routes, which caused more container flows to enter Russia from the Far East. According to Mortsentr TEK, container turnover at Russia’s Far East ports increased by 37.2% in 2010.

Import rail container transportation was dominated by loaded containers, which were the main driver of imported container turnover in 2010 (up 67%). Due to this rapid growth, loaded containers on import routes accounted for 75% of total import container turnover in 2010, up from 65% in 2009.

Container freight traffic on import routes was, by sector, auto parts (39%), consumer goods (15%), chemicals (13%) and hardware (13%).

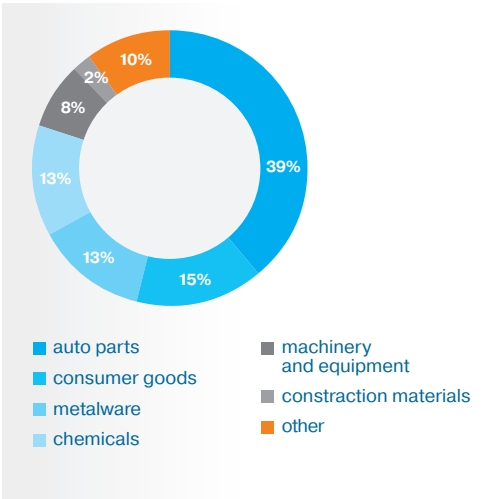
The fastest growing sectors in 2010 were auto parts (up 100%), metal products (up 110%) and consumer goods (up 50%).

The main container flows entered Russia from countries in South-East Asia (China, South Korea and Japan), as well as Eastern Europe.

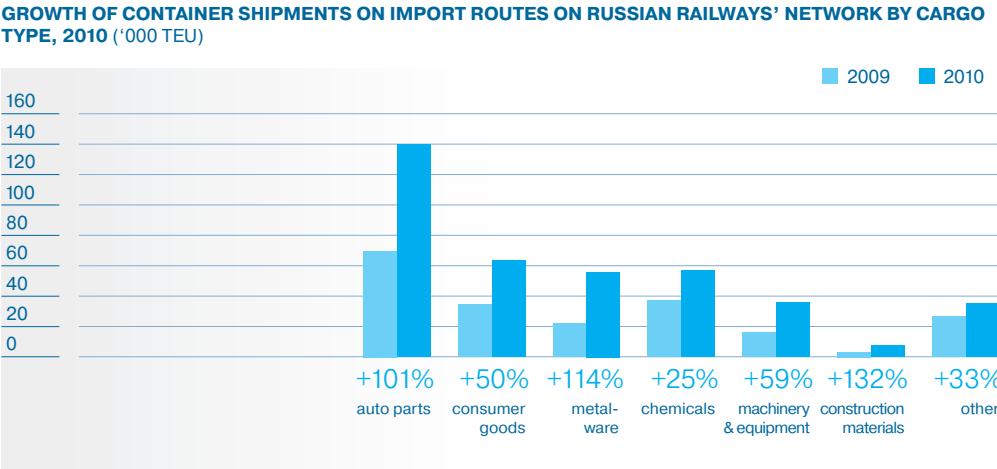


Source: Russian Railways, Company

CONTAINER SHIPMENTS ON IMPORT ROUTES ON RUSSIAN RAILWAYS’ NETWORK BY CARGO TYPE, 2010



Source: Russian Railways, Company



Source: Russian Railways, Company

Export transportation

In 2010, export rail container transportation rose by 22.0% to 572,000 TEU.

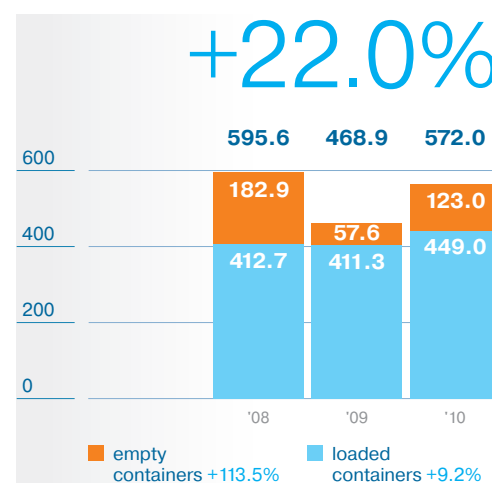
Export shipments by rail are dominated by loaded containers. At the same time, most of the container turnover growth on export routes comprised empty containers (up 110%), due to a sharp increase in volumes of container imports. As a result, the share of empty containers in total container turnover on export routes climbed to 25%, up from 12% in 2009.

In 2010, as in previous years, Russian container exports by rail were dominated by pulp and paper, chemicals and non-ferrous metals (65.8% of the total).

As the global economy recovered, demand for containerized Russian exports began to increase. As a result, export container shipments of the relevant groups also rose: pulp and paper (by 10% to 168,100 TEU), consumer goods (by 40% to 51,800 TEU) and timber (by 53% to 37,500 TEU).

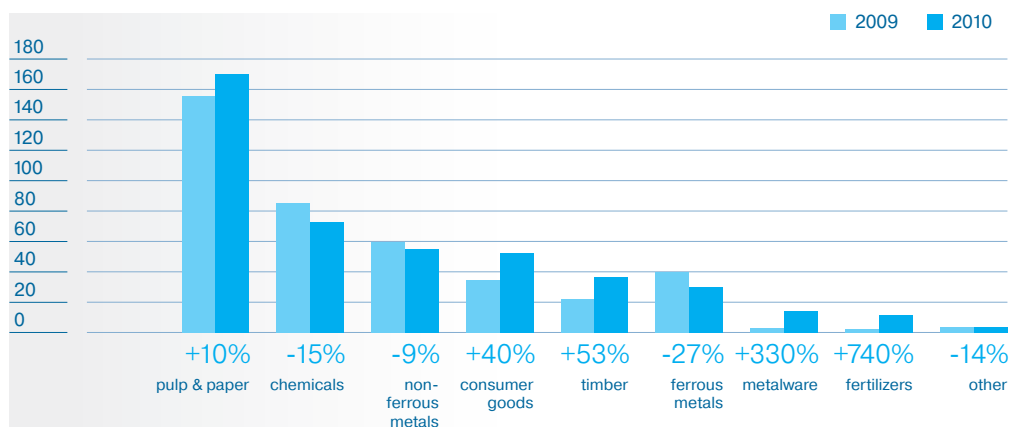
In 2010, most container exports on Russian Railways' network went through the North-West and Far East regions of Russia, and also into Eastern Europe.

CONTAINER SHIPMENTS ON EXPORT ROUTES ON RUSSIAN RAILWAYS' NETWORK, 2010 ('000 TEU)



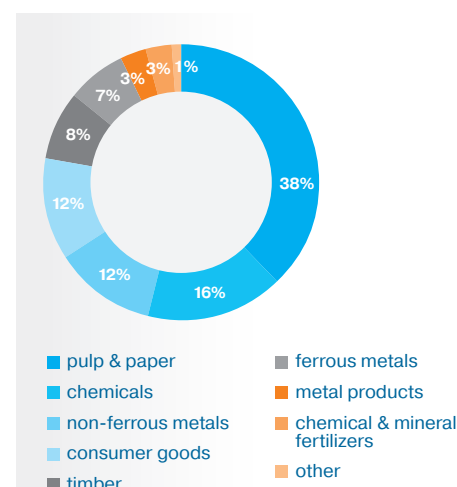
Source: Russian Railways, Company

GROWTH OF CONTAINER SHIPMENTS ON IMPORT ROUTES ON RUSSIAN RAILWAYS' NETWORK BY CARGO TYPE, 2010 ('000 TEU)



Source: Russian Railways, Company

CONTAINER SHIPMENTS ON EXPORT ROUTES ON RUSSIAN RAILWAYS' NETWORK BY CARGO TYPE, 2010



Source: Russian Railways, Company

Container transportation market

Russian container transportation market (continued)

Domestic transportation

In 2010, domestic container transportation volumes reached 1,117,000 TEU, up 10.0% year-on-year.

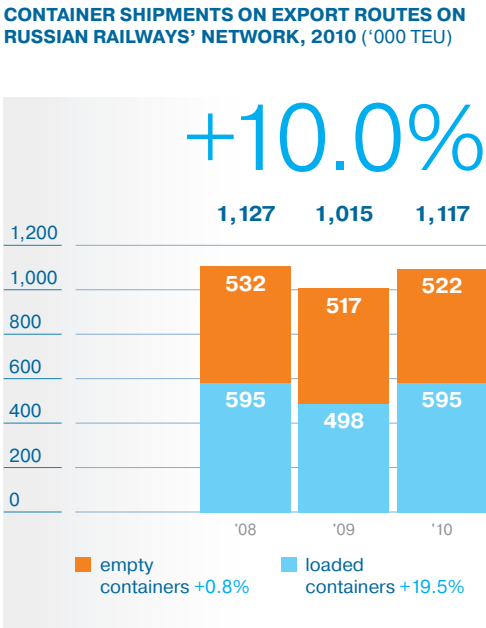
Loaded containers accounted for 53% of rail container shipments within Russia and were the largest contributor to domestic container turnover growth (up 19.5%). This was due to the recovery of the domestic market and the partial redistribution of empty containers to handle the increased international shipments.

Railway container shipments within Russia are more diversified than on international routes.

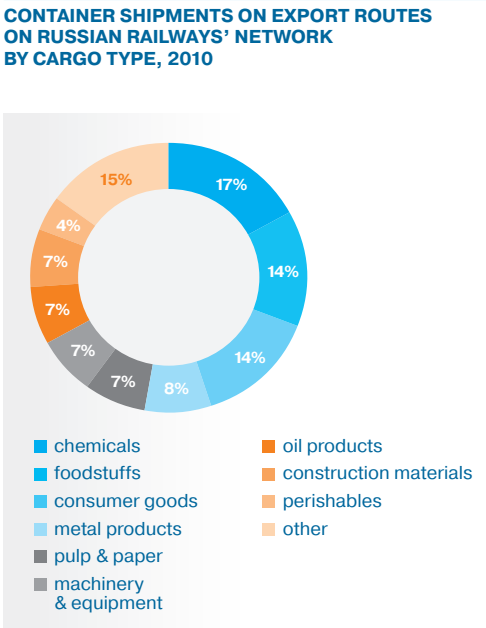
In 2010, chemical products accounted for 17% of loaded container turnover on domestic rail routes, consumer goods for 14%, metal products for 8%, and paper, machinery and machine tools, oil products and construction materials for about 7% each.

The main drivers of growth in domestic rail container shipments were consumer goods (up 17%), paper (up 45%) and Machinery and Equipment (up 38%).

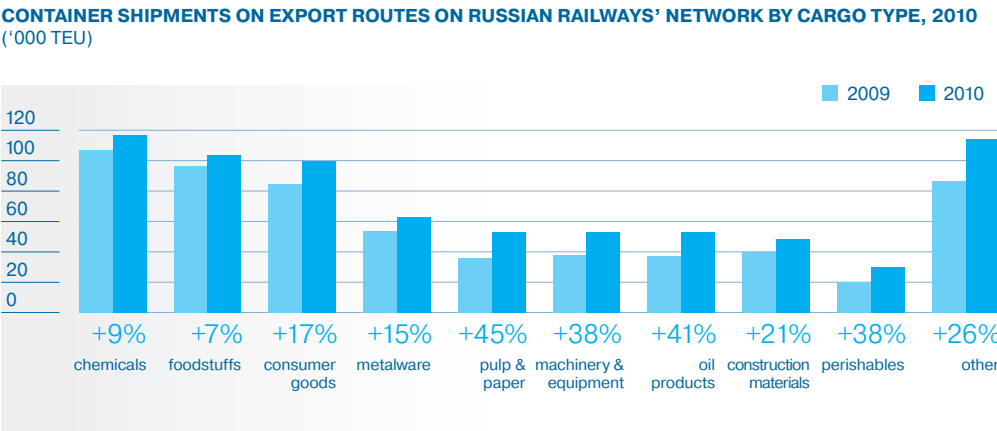
The main domestic container flows were routes from Central Russia to Siberia, as well as in the European part of Russia.



Source: Russian Railways, Company



Source: Russian Railways, Company



Source: Russian Railways, Company

Transit transportation

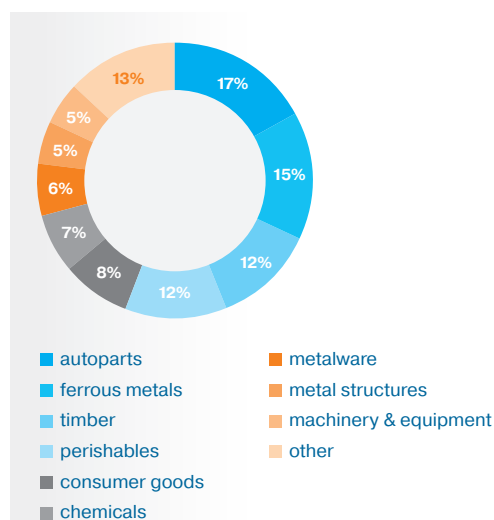
Transit container shipments by rail rose by 28.2% in 2010, from 119,000 to 152,600 TEU. They are dominated by loaded containers, although their share in rail transit container turnover declined to 73% last year, from 76% in 2009.

Railway container shipments on transit routes are more diversified than on import and export routes. In 2010, auto parts were the single biggest contributor to transit freight turnover (17%), followed by ferrous metals (15%), timber (12%), foodstuffs (12%) and consumer goods (8%).

In 2010, the main drivers of growth in container freight turnover on transit routes were non-ferrous metals (up 46%) and timber (up 460%).

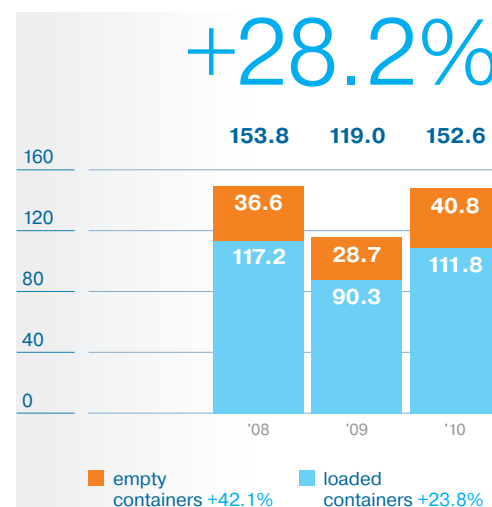
Most of the transit container shipments by rail are on north-south routes, between countries in Eastern Europe (including the Baltic states) and Central Asia.

CONTAINER SHIPMENTS ON TRANSIT ROUTES ON RUSSIAN RAILWAYS' NETWORK BY CARGO TYPE, 2010



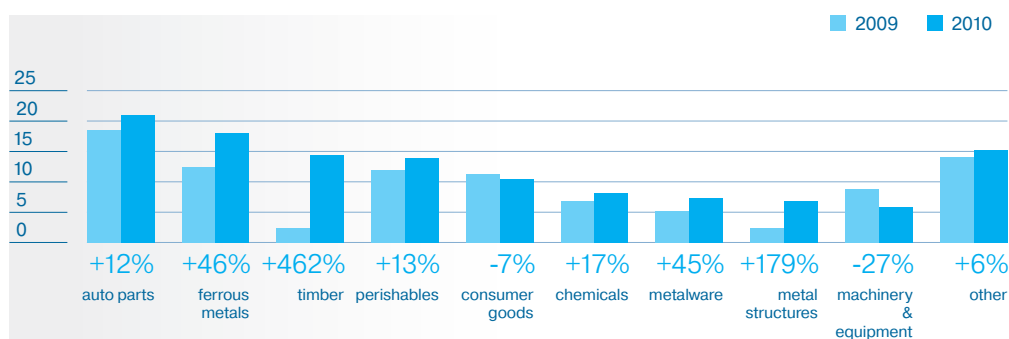
Source: Russian Railways, Company

TRANSIT CONTAINER SHIPMENTS ON RUSSIAN RAILWAYS' NETWORK, 2010 ('000 TEU)



Source: Russian Railways, Company

TRANSIT CONTAINER SHIPMENTS ON RUSSIAN RAILWAYS' NETWORK BY CARGO TYPE, 2010 ('000 TEU)



Source: Russian Railways, Company

Management report

Company strategy

Company strategy: key points

The Company's main strategic goal is to increase its capitalization through growing the business in scale and efficiency. This involves:

- Increasing the scale and volume of operations by expanding the container and flatcar fleet, developing the terminal network and expanding the sales network.
- Expanding the business in terms of geography and sectors, through acquisitions and strategic alliances and by developing new routes.
- Improving operational efficiency by adopting new shipping technologies and logistical solutions, optimizing the fleet structure, developing value-added services, and introducing modern IT systems and management techniques.

In 2010, the Company continued to implement measures aimed at increasing operating efficiency and business volumes.

Rail container transportation

In 2010, the Company continued to pursue its policy of renewing and modernizing its fleet by acquiring highly efficient 80-foot flatcars. During the year, 1,328 such flatcars were acquired, increasing their proportion of the fleet from 17.4% to 24.7% in terms of TEU capacity. At the same time the average age of the fleet declined from 19.2 to 17.3 years.

Reconstruction and expansion of handling capacity continued at the terminals in Kostarikha (completion planned in 2011), Kleshchikha (2012) and Sverdlovsk-Tovarny (2013), the aim being to enhance the efficiency of the Company's terminal business and to increase container shipment volumes by running block-trains between key hub terminals.

Last year also saw the launch of a new temporary storage warehouse at the Trofimovsky-2 terminal in Saratov Region.

Integrated logistics solutions

In 2010, TransContainer continued to provide integrated logistics services to existing and new clients. The Company entered the German market, scheduling regular container trains between Duisburg and Moscow; signed a contract with GEFECO to deliver spare parts for a Peugeot-Citroën assembly plant; and set up a land route to supply parts for Sollers from Italy to Russia (Elaburg) using the container terminal at Dobra on the Slovakian border.

In total, integrated logistics shipments rose by 78% in 2010.

In the near term, preparations will continue to create a joint venture with the Company's French partner GEFECO, in order to improve service quality for clients on routes between Europe and Russia. The Company is also considering the creation of a joint venture with German company DB Schenker BTT and Trans-Eurasia Logistics to ship hazardous cargos using specialized containers and providing integrated factory logistics services.

Geographical expansion

In 2010, the Company continued to strengthen its position in regions of origin or transit for container flows on the 1,520-gauge rail network:

- TransContainer established a subsidiary in Austria, TransContainer Europe GmbH. It will invest in creating subsidiaries abroad and develop long-term relationships with European partners to provide high-quality logistics services to customers, to develop container transit shipments by rail from China to Europe.
- TransContainer Asia Pacific Ltd, a fully owned subsidiary of TransContainer, was established in South Korea. It will offer integrated logistics solutions for container shipments from South Korea to Russia, as well as to Eastern and Western Europe.
- TransContainer and China Railway International Multimodal Transport (CRIMT) established Rail-Container LLC, a Russian-Chinese international rail container shipments joint venture. It will provide a full range of transportation and logistics solutions for container shipments of freight by rail between China and Russia, and China and Europe, using terminals and logistics centers in China and Russia. The initial priority will be to develop shipments at the Manchuria-Zabaikalsk and Alashankou-Dostyk border crossings. The joint venture will also run marketing campaigns to encourage companies to switch to rail shipments from other methods of transportation.
- The Company also reached the final stages in its acquisition of a stake in Kedentransservis, the largest operator in Kazakhstan and Central Asia. The transaction was signed in March 2011.

Mission

TransContainer's mission is to add value to customers' businesses by providing fast, reliable, integrated solutions for logistics and container transportation.

Improving management

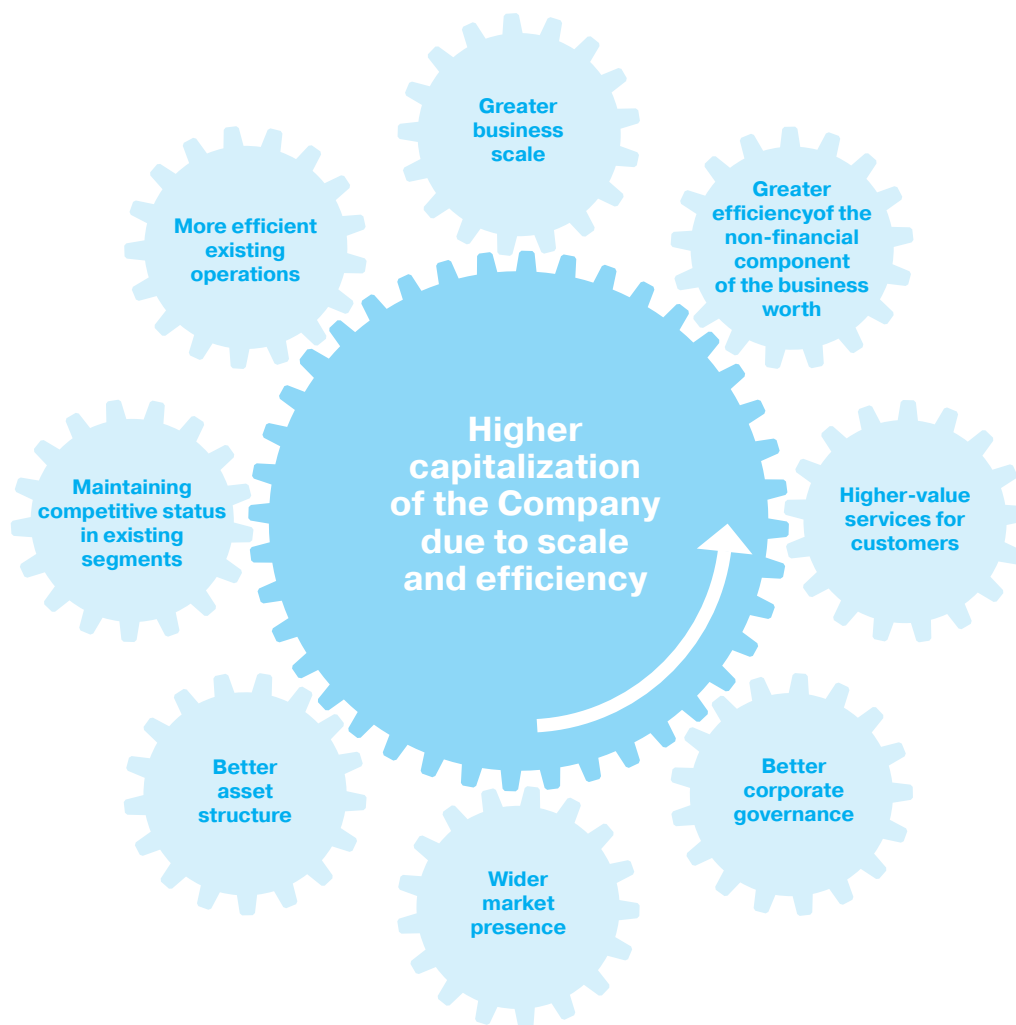
In 2010, TransContainer began to introduce a key performance indicator (KPI) system. The first phase consists of calculating the planned and actual values of the KPIs and finalizing how to measure them. KPIs are intended to motivate employees to achieve the Company's strategic goals. The project is expected to be completed by the end of 2011.

Strategic plans for 2011

In 2011, the main focus will be on reinforcing TransContainer's market positions in the countries where the Company has established subsidiaries and joint ventures in recent years. Particular attention will be paid to developing international shipments on prospective routes between China and Russia through RailContainer, the joint venture with China Railway International Multimodal Transport, and between South Korea and Russia, where shipments are carried out through the TransContainer-Asia-Pacific subsidiary.










As part of achieving the objectives set in the Company Strategy for 2011, there are plans to complete the acquisition of a 67% stake in Kedentransservis, a leading operator of rail terminals in Kazakhstan, and begin the extensive program to integrate the business.


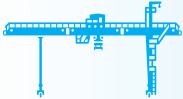





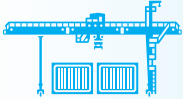
The Company will also continue working with its leading European transport and logistics partners. We are working with France's GEFCO SA to design and introduce new modern logistics solutions for a wide range of international clients, and with Germany's DB Schenker on projects involving complex warehouse logistics for Russian industry and specialized container shipments.



Assets

The Company owns and operates the asset base, which is unique in terms of structure and scale. The assets, which include rolling stock, a terminal network and a truck fleet, are present at key points on the surface logistics supply chain enabling TransContainer to maintain leading positions in the Russian container market.

ACTIVE TYPE	ASSET TYPE	RATIONALE	NUMBER
Flatcars			24,255
	40-foot	carrying heavy- and light-weight cargo	5,995
	60-foot	carrying heavy- and light-weight cargo	13,860
	80-foot	carrying light-weight cargo	4,400
ISO containers			58,784
	40-foot	carrying light-weight cargo	16,708
	20-foot	carrying heavy- and light-weight cargo	42,076
INCLUDING:			
	thermo-containers	used for transportation of perishable goods such as juices, beer and beverages, milk, fish, meat, etc.	1,926
	bulk containers	used for transportation of bulk cargo such as fertilizers, technical salt, oilcakes, etc.	70
	open-top containers	used for transportation of heavy or oversized cargo, tubes, machinery, etc.	12
MDC containers			55,478
	3-ton	used for transportation of small consignments and for social purposes.	12,772
	5-ton	obsolete containers, all of which are rented to Russian Railways	42,706

ACTIVE TYPE	ASSET TYPE	RATIONALE	NUMBER
Loading equipment			258
	reach stackers (capacity > 24 tonnes)	designed to handle ISO containers	49
	ISO cranes (capacity > 20 tonnes)	designed to handle ISO containers	63
	cranes (capacity < 12.5 tonnes)	designed to handle MDC containers	92
	small-size loaders (capacity < 10 tonnes)	mainly used in repair shops and ancillary works	54
Trucking fleet			904
	trucks	designed to carry semi-trailers with ISO containers	318
	container semi-trailers	for 20-foot containers	298
		for 40-foot containers	203
	lorries	used for MDC container deliveries	85
Rail-side container terminals			
	handling and storage of containers, infrastructure for trucking fleet and lifting equipment, bonded warehouses and sales offices		47

Operating results

Structure of rail container shipments

TransContainer offers container transportation services using specialized flatcars and containers. Last year, the volume of container transportation by rail using own rolling stock rose by 9.5% to 1,202 thousand TEU. This was driven by international shipments, which increased by 37.2%, from 352 thousand TEU in 2009 to 483 thousand TEU in 2010. Rail container shipments on domestic routes declined by 3.6% to 719 thousand TEU, as the Company decided not to be drawn into competition on price with competitors and focused instead on profitability.

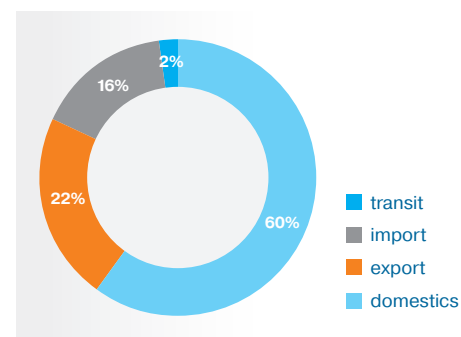
In 2010, TransContainer accounted for 52% of the rail container shipment market, a decrease of 5% from 2009. The Company continued to renew its rolling stock and expand fleet capacity, which is aimed at enabling the Company to recapture market share due to expected growth in demand for container shipments and increasing utilization of fleet capacity.

The biggest decline in market share was seen on domestic routes, where the Company accounted for 64.4% in 2010, compared with 73.5% a year earlier. Its share of import routes – the fastest growing segment of the container shipment market – grew from 30.0% to 40.9%. Overall, TransContainer maintained its status as Russia's largest transporter of containers by rail.

Transportation of clients' containers by the Company's flatcar fleet and of loaded containers belonging to TransContainer is paid for by clients, generating revenue for the Company. TransContainer pays Russian Railways a tariff to ship its own containers when empty; these shipments generate expenses for the Company. In 2010, shipments of empty own containers totaled 333,000 TEU, or 28% of overall container shipments using Company rolling stock, down from 30% in 2009.

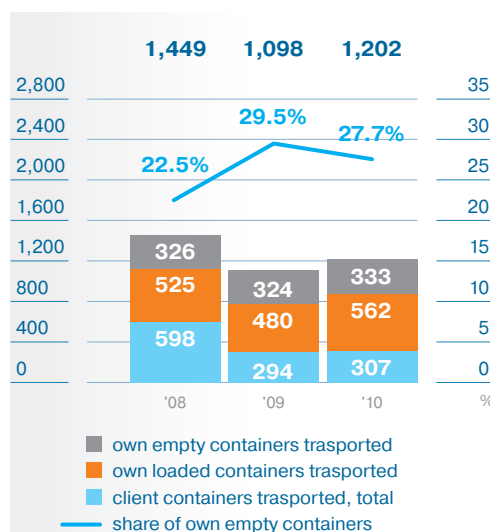
By sector, the highest percentage of shipments came from car production (13.6%), followed by chemical products (13.1%), paper (10.4%) and foodstuffs (9.4%).

TRANSPORTATION OF CONTAINERS BY TRANSCONTAINER'S FLEET IN 2010 BY DESTINATION (ISO LOADED + EMPTY), (IN TERMS OF TEU)



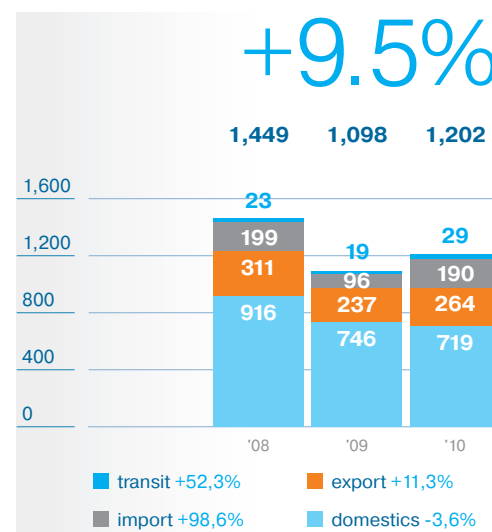
Source: Company

TRANSPORTATION OF CONTAINERS BY TRANSCONTAINER'S FLEET IN 2010 BY CONTAINER OWNERSHIP, 2010 ('000. TEU)



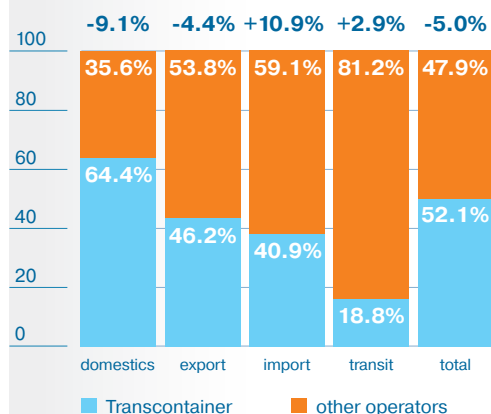
Source: Company

TRANSPORTATION OF CONTAINERS BY TRANSCONTAINER'S FLEET IN 2010 (ISO LOADED + EMPTY), ('000. TEU)



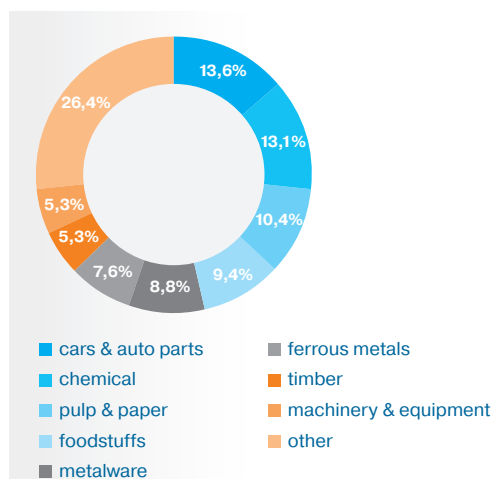
Source: Company

TRANSCONTAINER'S SHARE OF RAIL CONTAINER TRANSPORTATION VOLUMES BY DESTINATION COMPARED WITH 2009 (ISO LOADED + EMPTY)



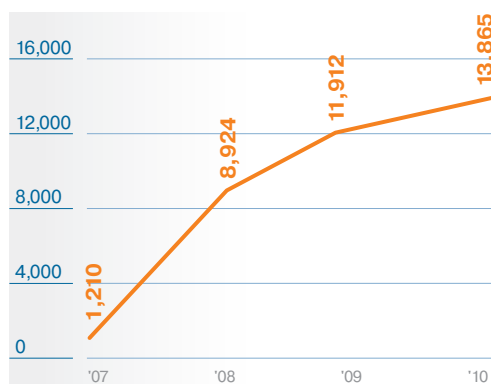
Source: Russian Railways, Company

TRANSPORTATION OF CONTAINERS BY TRANSCONTAINER'S FLEET IN 2010 BY TYPE OF CARGO, 2010 (SHARE IN TOTAL TRANSPORTATION VOLUMES IN TERMS OF TEU)



Source: Company

ISOTHERMAL CONTAINER CARGO VOLUMES USING OWN ROLLING STOCK (TEU)



Source: Company

Rail container transportation using specialized containers

In 2010, TransContainer further developed shipments using isothermal containers (thermos containers). These containers are used to transport juices (over 60%), as well as beer, beverages, wine, dairy and other foodstuffs. The volume of cargo transported in isothermal containers by the Company's flatcar fleet increased by 16% in 2010, to 13,900 TEU, or 3% of the total.

The Company's main clients for isothermal container services are: Lebedyansky (juice), SadyPridonia (juice) and Thermos Container (beer and juice). These clients accounted for 70% of isothermal shipments in 2010.

TransContainer also used other types of specialized containers to develop new technologies, although their transportation volumes are, as yet, insignificant.

Asset utilization

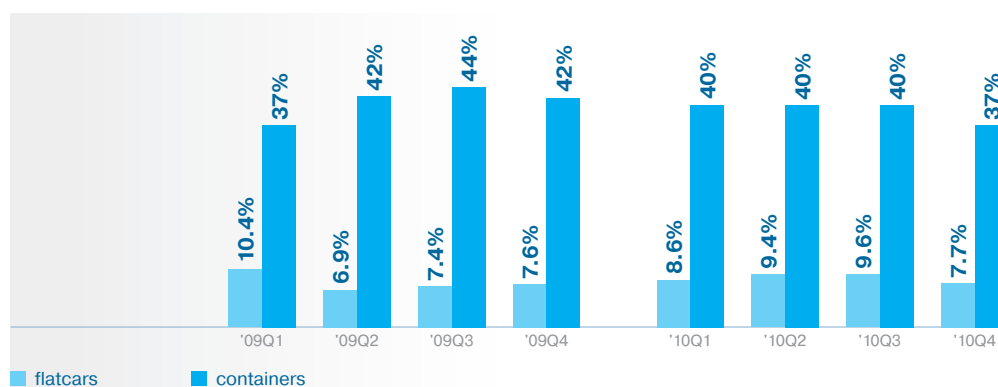
Most of TransContainer's key asset utilization metrics improved in 2010. The Company worked to optimize empty runs for flatcars and containers resulting from changes in the

geography of container flows. Empty runs for containers – the main contributor to the Company's freight and transportation expenses – declined gradually during 2010, reaching pre-crisis levels in the fourth quarter. Overall, the empty run ratio for containers fell to 39.1% in 2010, from 41.4% in 2009. The empty run ratio for flatcars increased slightly, from 8.0% to 8.8%.

TransContainer's work to arrange container transportation by block-trains paid off, with the share of containers transported by the Company's flatcar fleet in block-trains increasing to 22%, up from 12% a year earlier. In 2010, there were 267,000 TEU transported in block-trains, compared with 126,000 TEU in 2009. The Company's share of block-trains transported on Russian Railways' network grew from 42% in 2009 to 56% in 2010.

This had a positive effect on the average turnover of the Company's fleet. Last year, average flatcar turnover fell to 14.2 days, from 15.7 days in 2009, and reached 13.4 days in the fourth quarter.

EMPTY RUN RATIOS FOR CONTAINERS AND FLATCARS, 2009-10



Source: Company

Assets related to rail container transportation

FLATCAR FLEET

As of 31 December 2010, TransContainer had a fleet of 24,255 specialized flatcars, some 60% of Russia's total flatcar fleet. Last year, the Company continued to improve its flatcar fleet by increasing the proportion of high-efficiency 80-foot flatcars, and phasing out the shorter-based 40- and 60-foot flatcars that had reached the end of their useful lives. In 2010, the number of 80-foot flatcars rose to 4,400, from 3,072 at the end of 2009, and their share of the total flatcar fleet in terms of TEU capacity increased from 17.4% to 24.7%.

Following purchases and write-offs of flatcars in 2010, the total number of flatcars operated by the Company declined by 1.9%, from 24,735 to 24,255 units. However, by improving the structure of the fleet, fleet capacity grew from 70,543 to 71,179 TEU, or 0.9%. The average age of the fleet declined from 19.2 to 17.3 years.

CONTAINER FLEET

At the end of 2010, TransContainer's fleet of ISO containers totaled 58,784. This included 16,708 40-foot and 42,076 20-foot containers, of which 1,926 were specialized thermos containers, 70 were for shipping dry goods and 12 were open-topped. The Company also owns 55,478 MDCs, which are leased to Russian Railways. Last year, the ISO container fleet expanded by 422 containers; 841 40-foot containers were bought, while 419 20-foot containers were written off.

Terminal handling

The Company provides container handling services at its own rail-side terminals, including loading, unloading and sorting. It also offers a broad range of additional terminal services for containers and cargo (including preparing containers for loading, unloading/loading of cargo from/into containers, container storage, sealing, etc).

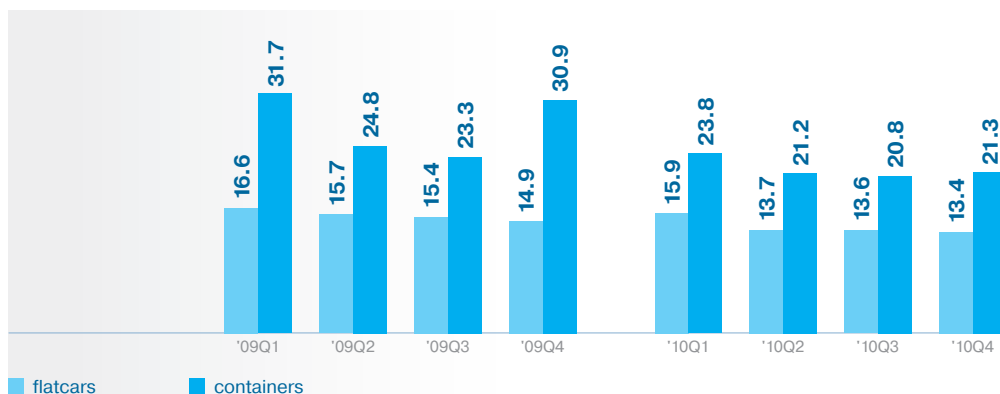
TRANSCONTAINER'S KEY ASSET UTILIZATION METRICS, 2009-10

	2009	2010
Turnover of containers, days	27.7	21.8
Turnover of flatcars, days	15.7	14.2
Empty run ratio* for containers, %	41.4%	39.1%
Empty run ratio* for flatcars, %	8.0%	8.8%
Share of container transportation in block-trains	11.5%	22.2%

* Average empty run/average total run (km)

Source: Company

COMPANY CONTAINER AND FLATCAR TURNOVER, 2009-10 (DAYS)



Source: Company

COMPANY FLATCAR FLEET, AS OF 31 DECEMBER 2010

Flatcars	Owned	Leased and rented	Total	Capacity (TEU)	Average age (years)
40-foot	4,518	1,477	5,995	11,990	14.1
60-foot	13,860	–	13,860	41,580	23.5
80-foot	4,114	286	4,400	17,600	2.1
Total	22,492	1,763	24,255	71,170	17.3

Source: Company

All of TransContainer's terminals have the status of "site of common use" under Railway Transport Laws. As an agent of Russian Railways, the Company offers a range of services, including loading and unloading containers onto and off flatcars, sorting containers along the route, etc.

As of 31 December 2010, the Company owned 46 railway container terminals on 17 Russian railways. It also operates a terminal at the Slovakian rail station of Dobra on a long-term lease basis. Last year, processing volumes at the Company's container terminals in Russia rose by 6.8% to 1,505 thousand TEU, compared with 1,409 thousand TEU in 2009. Container throughput at the Dobra terminal climbed to 11,400 TEU, compared with 1,600 TEU a year earlier.

Container throughput at TransContainer's terminals is affected by their status as "sites of common use" – which means that all containers arriving at the terminal can be handled regardless of who owns them – and the different growth patterns of MDC and ISO containers. In 2010, handling of ISO containers at the Company's terminals increased by 11.7%, while MDC handling declined by 9.3%.

The number of bonded warehouses at Company terminals grew from 10 to 11 in 2010, increasing total floor space from 20,000 square meters at the end of 2009 to 22,400 square meters at the end of 2010.

TransContainer had 258 units of loading equipment at the end of 2010, compared with 273 a year earlier. Most of the decline was due to the discontinuation of MDC processing equipment.

Trucking services

TransContainer's trucking services include transportation of containers between the Company's terminals and the final point of delivery, or "last mile" services.

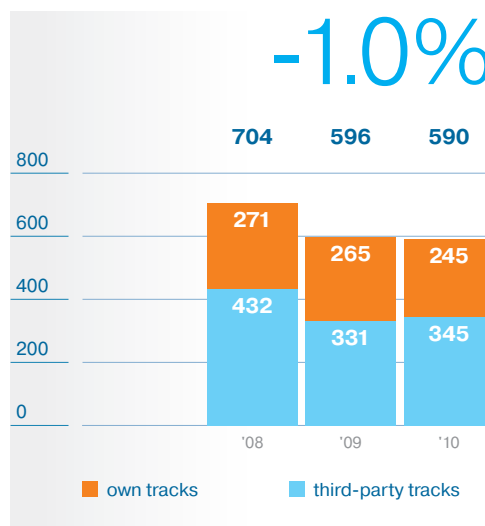
The Company uses its own fleet of vehicles, as well as outsourced trucking. The Company has the status of a truck carrier under customs control.

In 2010, TransContainer transported 590,000 TEU using its own and third-party vehicles, down 1% year-on-year, primarily due to changes in the logistics arrangements for a major customer.

Last year, TransContainer's own truck fleet accounted for 42% of total truck deliveries (45% in 2009). The share of ISOs remained virtually unchanged, at 85%.

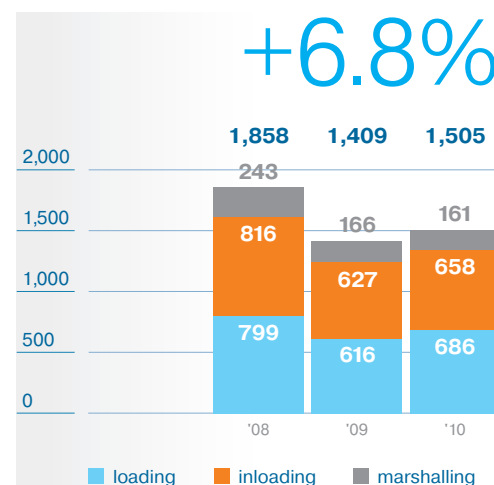
The Company's truck fleet comprised 904 vehicles at the end of 2010, against 903 a year earlier. In 2010, TransContainer acquired nine semi-trailers for hauling 40-foot containers, while one truck-tractor, one lorry and six semi-trailers for hauling 20-foot containers were decommissioned.

CONTAINER TRANSPORTATION VOLUMES BY OWN AND OUTSOURCED TRUCK FLEET (ISOS AND MDCS), 2008-10 ('000. TEU)



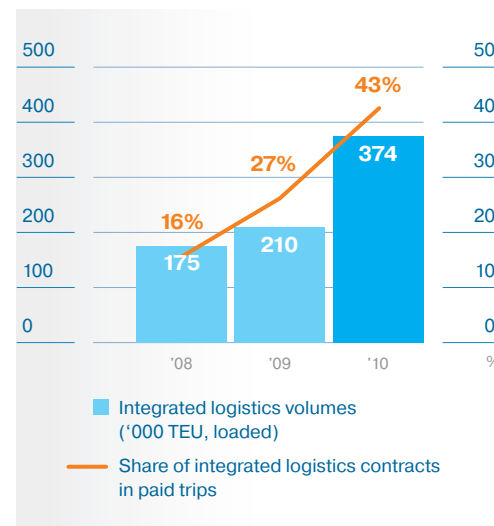
Source: Company

PROCESSING VOLUMES AT THE COMPANY'S TERMINALS IN RUSSIA (HEAVY-DUTY CONTAINERS (HDCS) AND MDCS), 2008-10 ('000. TEU)



Source: Company

SHIPMENTS OF LOADED CONTAINERS UNDER INTEGRATED LOGISTICS CONTRACTS, 2008-10 ('000. TEU)



Source: Company

Freight-forwarding
and logistics services

The Company provides a broad range of freight-forwarding and logistics services, including preparing transport documentation, cargo tracking and customs clearance.

TransContainer uses the inherent advantages of its business model to offer integrated logistics solutions, including door-to-door deliveries on a single through-rate tariff. This service is offered on an all-inclusive basis using the Company's own assets (flatcars, containers, terminals and road fleet), as well as those of third parties (Russian Railways, foreign railways, agents, maritime companies, etc). Integrated logistics services are in high demand, as they offer convenience for the client (the Company bears responsibility for the final outcome), simplicity (a single price) and reliability (the Company has its own assets at all key stages of shipment). Container delivery volumes under integrated logistics contracts reached 374,000 TEU in 2010, 60% more than in 2009. However, integrated logistics services mean greater responsibility to customers and more complex arrangements as compared with traditional transportation services.

TransContainer's integrated logistics services are used by clients including Volkswagen, RUSAL, Samsung and, since 2010, Peugeot-Citroën. They are also in demand regionally, from small and medium-sized freight dispatchers.

Customer base and sales process

TransContainer is the only integrated rail container operator in Russia to have a nationwide sales network and a presence in all of the country's main administrative centers. As of 31 December 2010, the Company had 149 sales offices in Russia (including central sales offices in Moscow), compared with 146 a year earlier.

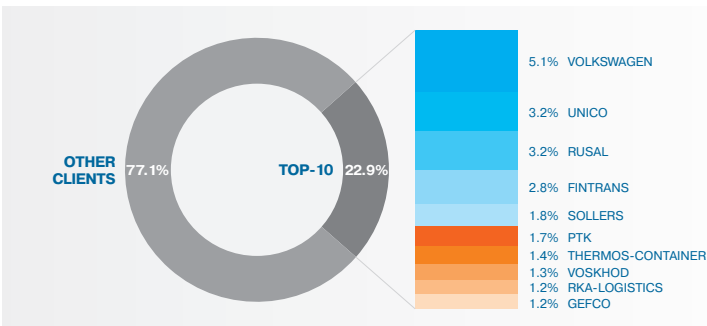
As of 31 December 2010, the Company's international network comprised three subsidiaries, three joint ventures, seven representative offices, and 29 agencies and regional partners. The network covers 23 countries in the former Soviet Union, Central Europe and South-East Asia.

TransContainer signs contracts for transport and freight-forwarding services with more than 200,000 clients every year, 20,000 of which are repeat customers. In 2010, the 10 largest clients accounted for 23% of client payments, with the largest – Volkswagen – comprising 5% of revenues.

The share of end-customers in the company's customer base increased in 2010, compared with 2008.

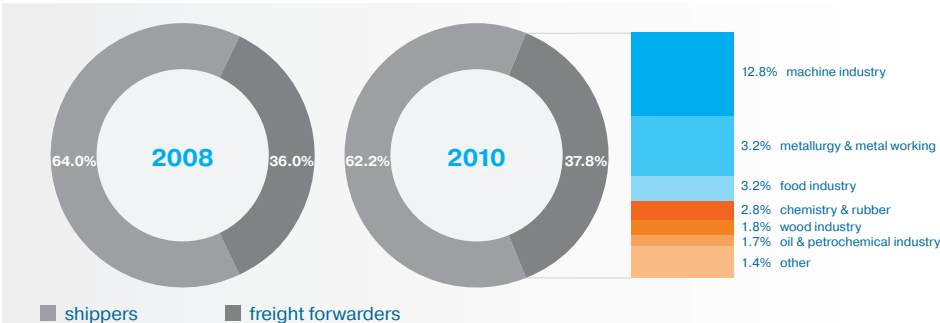
TransContainer's strategy is to reach end-customers interested in integrated logistics services. In 2010, end-customers comprised 38% of the total customer base, compared with 36% a year earlier. Moreover, given the Company's geographical reach and the potential rise in demand for container-based freight transportation, TransContainer continues to develop partnerships with freight-forwarding companies both in Russia and abroad.

10 LARGEST CLIENTS BY REVENUE, 2010



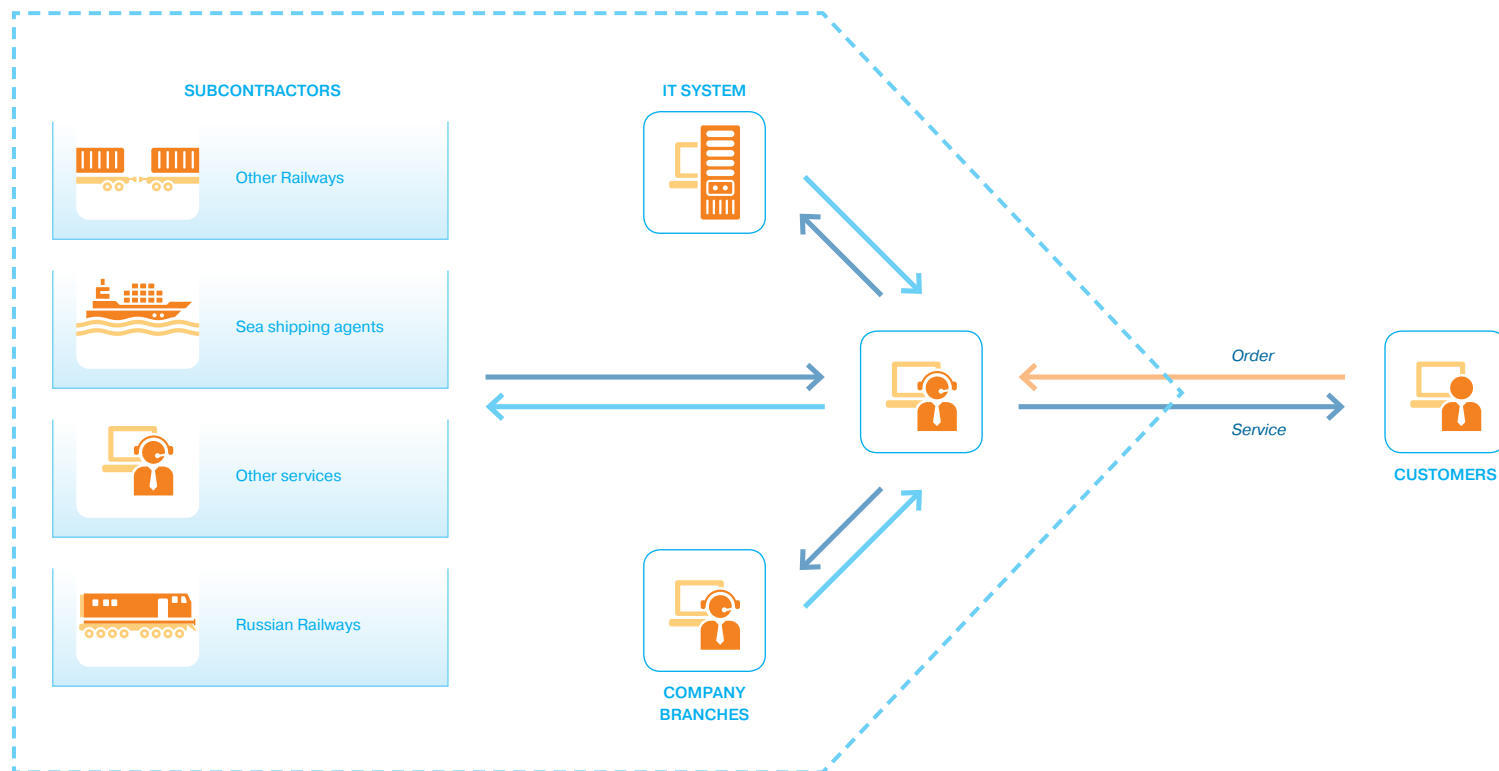
Source: Company

CUSTOMER STRUCTURE BY TOTAL AMOUNTS BILLED TO CUSTOMERS IN 2008 AND 2010



Source: Company

Sales order structure



Financial results



Dear Shareholders, Colleagues and Partners,

It gives me great pleasure to present the financial results for 2010. This is TransContainer's first annual report that has been prepared in line with International Financial Reporting Standards and the first with Company shares trading in Russia and abroad.

The results reflect the recovery of the container shipment market, which began in the second half of 2010, and the work to streamline TransContainer's operating and financial activities.

Adjusted revenue, net of third-party charges relating to integrated logistics services, increased by 24.4% year-on-year to 16,502 million rubles, operating profit by 25% to 2,093 million rubles, and EBITDA by 11.7% to 4,427 million rubles. Crucially, profit for the year grew by 57.5% to 928 million rubles, compared with 589 million rubles in 2009. Container shipments by rail were up 9.5% year-on-year.

The Company's financial performance was adversely impacted by some additional expenses, which were largely deferred from 2009 and incurred in 2010. For example, repair costs increased in 2010, primarily due to shifting scheduled repairs from 2009 to 2010; and payroll costs rose due to the return to full-time employment of most of the employees who had temporarily transferred to part-time schedules during the economic downturn.

Last year, TransContainer significantly improved its debt structure and managed to reduce interest expenses. As a result of the successful put option exercised on the Series 1 bonds in March 2010, the yield on them fell from 16.5% to 9.5%. There are no further put options with respect to the bonds before redemption in February 2013, meaning that the issue is now classified as long-term. In June 2010, in difficult market conditions, TransContainer successfully placed 3 billion rubles in five-year bonds (Series 2) with a yield of 8.8%, enabling it to refinance bank loans and financial leasing obligations at lower rates. As a result, as of 31 December 2010, the share of long-term borrowings out of overall debt had risen to 90.6% (from 40% a year earlier), net debt had shrunk to 5,989 million rubles (from 5,735 million rubles), and interest expenses had fallen by 10.3% to 848 million rubles (from 945 million rubles).

Last year's capital expenditure amounted to 4.05 billion rubles, compared with 3.1 billion rubles in 2009, and was spent mainly on upgrading and improving the rolling stock by buying 80-foot flatcars. In line with Company policy, the investment program was financed primarily by internally generated cash.

In 2011, TransContainer has ambitious plans to further improve its financial performance. . Based on forecasts for economic growth and rail container shipments this year, and through our ongoing work to optimize our pricing and increase the main operating indicators, we believe that these goals are achievable.

Yours sincerely,

A stylized handwritten signature in black ink.

ANTON LOPATIN

Deputy General Director
for Economics
and Finance

The following table shows the Company's results for the years ended 31 December 2010 and 2009.

RUR mln	2010	2009	Period-on-period change	Period-on-period percentage change
Revenue	22,841	16,400	6,441	39.3%
Operating expenses, net	(20,748)	(14,726)	(6,022)	40.9%
Operating income	2,093	1,674	419	25.0%
Interest expense	(848)	(945)	97	(10.3)%
Interest income	15	35	(20)	(57.1)%
Foreign exchange gain, net	16	4	12	300.0%
Other gains and losses	66	–	66	
Profit before income tax	1,342	768	574	74.7%
Income tax expense	(414)	(179)	(235)	131.3%
Profit for the year	928	589	339	57.6%
Other comprehensive income:				
Exchange difference on translating foreign operations	7	–	7	
Total comprehensive income for the year	935	589	346	58.7%

Non-IFRS metrics

Adjusted revenue, adjusted operating expenses, EBITDA, adjusted EBITDA margin and adjusted operating margin are non-IFRS measures derived from IFRS accounts and presented as supplemental measures of our operating performance. These supplemental measures have limitations as analytical tools, and investors should not consider any of them in isolation, or any combination of them, as a substitute for analysis of our results as reported under IFRS.

RUR mln	2010	2009	Period-on-period change	Period-on-period percentage change
Adjusted revenue ¹	16,502	13,262	3,240	24.4%
Adjusted operating expenses ² , net	14,409	11,588	2,821	24.3%
EBITDA ³	4,427	3,963	464	11.7%
Adjusted EBITDA margin ⁴	27%	30%		
Net debt ⁵	5,735	5,989	(254)	(4.2)%
Net debt/EBITDA	1.3	1.5		

¹ Adjusted revenue is calculated as total revenue less third-party charges relating to integrated logistics services.

² Adjusted operating expenses are calculated as operating expenses less third-party charges related to integrated logistics services.

³ EBITDA is defined as profit for the period before income tax, interest expense and depreciation and amortization.

⁴ Adjusted EBITDA margin is defined as EBITDA divided by adjusted revenue.

⁵ Net debt is calculated as long-term debt, finance lease obligations and current portion of long-term debt less cash and cash equivalents and short-term investments.

Revenue

The following table shows the breakdown of the total revenue for the years ended 31 December 2010 and 2009.

RUR mln	2010	2009	Period-on-period change	Period-on-period percentage change
Integrated logistics services	10,794	5,347	5,447	101.9%
Rail-based container transportation	6,980	6,573	407	6.2%
Terminal services and agency fees	2,008	1,678	330	19.7%
Truck deliveries	1,513	1,559	(46)	(3.0)%
Freight-forwarding and logistics services	1,192	880	312	35.5%
Bonded warehousing services	273	265	8	3.0%
Other	81	98	(17)	(17.3)%
Total revenue	22,841	16,400	6,441	39.3%

Total revenue increased by 6,441 million rubles, or 39.3%, from 16,400 million rubles for the year ended 31 December 2009 to 2,841 million rubles for the year ended 31 December 2010. This increase was primarily due to higher demand for our key services resulting from improving overall economic conditions and consumer confidence.

The following table shows adjusted revenue for the years ended 31 December 2010 and 2009.

RUR mln	2010	2009	Period-on-period change	Period-on-period percentage change
Revenue	22,841	16,400	6,441	39.3%
Less third-party charges relating to integrated logistics services	(6,339)	(3,138)	(3,201)	102.0%
Adjusted revenue	16,502	13,262	3,240	24.4%

Adjusted revenue (as defined above) grew by 24.4%, from 13,262 million rubles for the year ended 31 December 2009 to 16,502 million rubles for the year ended 31 December 2010. This was primarily due to an increase in rail container transportation volumes of 9.5%, from 1,098 thousand twenty-equivalent units (TEU) in 2009 to 1,202 thousand TEU in 2010, a rise in terminal throughput of 6.8%, from 1,409 thousand TEU in 2009 to 1,505 thousand TEU in 2010, and the impact of the Company's pricing policy.

The following table shows the relative contribution of the components of the adjusted revenue for the years ended 31 December 2010 and 2009.

	2010		2009		Period-on-period, change	
	share, %	RUR, mln	share, %	RUR, mln	RUR, mln	%
Rail-based container transportation	42.3%	6,980	49.6%	6,573	407	6.2%
Integrated logistics services	27.0%	4,455	16.7%	2,209	2,246	101.7%
Terminal services and agency fees	12.2%	2,008	12.7%	1,678	330	19.7%
Truck deliveries	9.2%	1,513	11.8%	1,559	(46)	(3.0)%
Freight-forwarding and logistics services	7.2%	1,192	6.6%	880	312	35.5%
Bonded warehousing services	1.7%	273	2.0%	265	8	3.0%
Other	0.4%	81	0.6%	98	(17)	(17.3)%
Adjusted revenue	100.0%	16,502	100.0%	13,262	3,240	24.4%

The relative contribution of integrated logistics services, net of third-party charges relating to integrated logistics services, to the Company's adjusted revenue increased from 16.7% for the year ended 31 December 2009 to 27.0% for the year ended 31 December 2010, while the contribution of rail-based container transportation services decreased from 49.6% to 42.3%. The relative contribution of terminal services and agency fees remained almost unchanged, at 12.2% for the year ended 31 December 2010, compared with 12.7% for the year ended 31 December 2009, while the contribution of freight-forwarding and logistics services grew from 6.6% to 7.2% and the contribution from truck deliveries decreased from 11.8% to 9.2%, respectively.

Integrated logistics services

Revenue from integrated logistics services increased by 101.9%, from 5,347 million rubles for the year ended 31 December 2009 to 10,794 million rubles for the year ended 31 December 2010. Revenue from integrated logistics services, net of third-party charges relating to integrated logistics services, grew by 101.7%, from 2,209 million rubles in 2009 to 4,455 million rubles in 2010. This increase was primarily due to greater demand for integrated logistics services in Russia, as reflected by growth in container transportation volumes under integrated logistics contracts of 78.1%, from 210 thousand loaded TEU for the year ended 31 December 2009 to 374 thousand loaded TEU for the year ended 31 December 2010. This increase resulted both from new customers' demand and from a shift of existing customers' preferences towards using integrated logistics services rather than traditional terminal-to-terminal rail transportation. The revenue increase was also due to a rise in prices that the Company charges for integrated logistics services.

Rail-based container transportation services

Revenue from rail-based container transportation increased by 6.2%, from 6,573 million rubles for the year ended 31 December 2009 to 6,980 million rubles for the year ended 31 December 2010. This was despite a decrease in revenue-generating transportation volumes in terms of TEU under standard rail transportation agreements of 12.2%, which was offset by an increase in pricing for the Company's rail-based container transportation services. This revenue item also includes proceeds from renting MDCs to Russian Railways. The decrease in transportation volumes resulted primarily from customer demand shifting from more traditional terminal-to-terminal rail-based container transportation to integrated logistics services.

Terminal services and agency fees

Revenue from terminal services, including agency fees, increased by 330 million rubles, or 19.7%, from 1,678 million rubles for the year ended 31 December 2009 to 2,008 million rubles for the year ended 31 December 2010. Agency fees, which are charged for services that the Company renders as an agent of Russian Railways, increased by 17.9%, from 1,367 million rubles to 1,612 million rubles. This was primarily due to an increase in terminal throughput of 6.8%, from 1,409 thousand TEU for the year ended 31 December 2009 to 1,505 thousand TEU for the year ended 31 December 2010, as well as an increase in prices and ancillary terminal services offered to customers.

Truck deliveries

Revenue from truck deliveries decreased by 46 million rubles, or 3.0%, from 1,559 million rubles for the year ended 31 December 2009 to 1,513 million rubles for the year ended 31 December 2010. The decrease was primarily due to a drop in container transportation volumes in the Company's own and outsourced truck fleet of 1.0%, from 596 thousand TEU in 2009 to 590 thousand TEU in 2010, primarily due to changes in the logistics arrangements for a major customer.

Freight-forwarding and logistics services

Revenue from freight-forwarding and logistics services grew by 312 million rubles, or 35.5%, from 880 million rubles for the year ended 31 December 2009 to 1,192 million rubles for the year ended 31 December 2010. The increase was primarily due to a rise in revenue-generating rail container transportation volumes of 12.4% and in the number of additional value-added services resulting from the overall greater demand for container transportation.

Bonded warehousing services

Revenue from bonded warehousing services increased by 8 million rubles, or 3.0%, from 265 million rubles for the year ended 31 December 2009 to 273 million rubles for the year ended 31 December 2010, primarily due to the launch of a new bonded warehouse at Trofimovsky-2 station in Saratov Region in November 2010.

Operating expenses

The following table shows a breakdown of the Company's significant operating expenses for the years ended 31 December 2010 and 2009.

	2010			2009		
	RUR mln	Percentage of operating expenses	Percentage of total revenue	RUR mln	Percentage of operating expenses	Percentage of total revenue
Third-party charges relating to integrated logistics services	6,339	30.6%	27.8%	3,138	21.3%	19.1%
Freight and transportation services	4,534	21.9%	19.9%	3,832	26.0%	23.4%
Payroll and related charges	3,128	15.1%	13.7%	2,437	16.5%	14.9%
Depreciation and amortization	2,237	10.8%	9.8%	2,250	15.3%	13.7%
Materials, repair and maintenance	1,887	9.1%	8.3%	1,182	8.0%	7.2%
Other expenses, net	2,623	12.5%	11.5%	1,887	12.8%	11.5%
Total operating expenses, net	20,748	100.0%	90.8%	14,726	100.0%	89.8%

TransContainer's total operating expenses grew by 6,022 million rubles, or 40.9%, from 14,726 million rubles for the year ended 31 December 2009 to 20,748 million rubles for the year ended 31 December 2010, primarily due to an increase in third-party charges relating to integrated logistics services.

As a percentage of the total revenue, total operating expenses increased from 89.8% for the year ended 31 December 2009 to 90.8% for the year ended 31 December 2010, primarily due to a rise in third-party charges relating to integrated logistics services. As a percentage of total revenue, third-party charges relating to integrated logistics services increased from 19.1% in 2009 to 27.8% in 2010, and materials, repair and maintenance rose from 7.2% to 8.3%, while other expense items either decreased or remained flat.

The following table shows adjusted operating expenses for the years ended 31 December 2010 and 2009.

RUR mln	2010	2009	Period-on-period change	Period-on-period percentage change
Total operating expenses, net	20,748	14,726	6,022	40.8%
Third-party charges relating to integrated logistics services	(6,339)	(3,138)	(3,201)	102.0%
Adjusted operating expenses	14,409	11,588	2,821	24.3%

Adjusted operating expenses, as described above, increased by 24.3%, from 11,588 million rubles for the year ended 31 December 2009 to 14,409 million rubles for the year ended 31 December 2010. This was primarily due to increases in freight and transportation costs, materials, repair and maintenance and payroll and related charges.

The following table shows a breakdown of the Company's significant operating expenses, excluding third-party charges relating to integrated logistics services, as well as their value as a percentage of adjusted operating expenses for the years ended 31 December 2010 and 2009.

	2010		2009		Period-on-period change	
	RUR mln	Percentage of adjusted operating expenses	RUR mln	Percentage of adjusted operating expenses	RUR mln	%
Freight and transportation services	4,534	31.5%	3,832	33.1%	702	18.3%
Payroll and related charges	3,128	21.7%	2,437	21.0%	691	28.4%
Depreciation and amortization	2,237	15.5%	2,250	19.4%	-13	-0.6%
Materials, repair and maintenance	1,887	13.1%	1,182	10.2%	705	59.6%
Other expenses	2,623	18.2%	1,887	16.3%	736	39.0%
Adjusted operating expenses	14,409	100.0%	11,588	100.0%	2,821	24.3%

As a percentage of adjusted operating expenses, freight and transportation services decreased from 33.1% in 2009 to 31.5% in 2010 and depreciation and amortization fell from 19.4% to 15.5%, while materials, repair and maintenance grew from 10.2% to 13.1% and other expenses increased from 16.3% to 18.2%.

Third-party charges relating to integrated logistics services

Third-party charges relating to integrated logistics services increased by 3,201 million rubles, or 102%, from 3,138 million rubles for the year ended 31 December 2009 to 6,339 million rubles for the year ended 31 December 2010. This was primarily due to an increase in transportation volumes under integrated logistics contracts of 78.1%, from 210 thousand loaded TEU in 2009 to 374 thousand loaded TEU in 2010, as well as an increase in prices of subcontractors (primarily Russian Railways tariffs, which grew by an average of 12.4% in 2010) and higher volumes of subcontractors' services resulting from changes in regulation, and the growing complexity of logistics chains surrounding the Company's fleet operations in CIS countries.

Freight and transportation services

Expenses relating to freight and transportation services increased by 702 million rubles, or 18.3%, from 3,832 million rubles for the year ended 31 December 2009 to 4,534 million rubles for the year ended 31 December 2010. This increase was primarily due to a rise in rail-based transportation using the Company's own containers of 11.3%, from 804 thousand TEU in 2009 to 895 thousand TEU in 2010, as well as higher tariffs charged for empty runs by Russian Railways, which rose by 12.4% on average in 2010. This increase was partly offset by a decrease in the empty run ratio for containers from 41.4% in 2009 to 39.1% in 2010.

Payroll and related charges

Payroll and related charges increased by 691 million rubles, or 28.4%, from 2,437 million rubles for the year ended 31 December 2009 to 3,128 million rubles for the year ended 31 December 2010. This increase primarily resulted from the return to full-time employment of most of the employees who had temporarily transferred to part-time schedules during the economic downturn in 2009, which drove up average monthly salaries by 25.3%, from 28.8 thousand rubles to 36.1 thousand rubles, as well as an increase in payroll tax payments of 66.7 million rubles

due to changes in Russian tax legislation.

This increase in payroll and related charges was partly offset by a decrease in the average number of employees by 2.3%, from 5,274 for the year ended 31 December 2009 to 5,150 for the year ended 31 December 2010.

Depreciation and amortization

Depreciation and amortization decreased marginally by 13 million rubles, or 0.6%, from 2,250 million rubles for the year ended 31 December 2009 to 2,237 million rubles for the year ended 31 December 2010. The decrease was primarily due to continuing usage of lifting equipment, IT and software fully depreciated in the previous year, as well as the divestment of the container terminal in Novorossiisk, which was sold to optimize the Company's terminal network. This decrease was partly offset by acquisitions of new flatcars during this period and the retiring of flatcars inherited from Russian Railways.

Materials, repair and maintenance

Expenses related to materials, repair and maintenance increased by 705 million rubles, or 59.6%, from 1,182 million rubles for the year ended 31 December 2009 to 1,887 million rubles for the year ended 31 December 2010. This was primarily due to an increase

in repairs of flatcars from 17,992 in 2009 to 19,526 in 2010; (the Company had largely suspended repairs during the global economic downturn in an effort to reduce operating costs), as well as higher prices charged by repair workshops and costs of materials and a relative increase in more expensive scheduled depot and overhaul repairs in the overall repair structure.

Other expenses

Other expenses are an aggregate of a number of expense items such as taxes other than income tax, rent, consulting expenses, fuel and energy and communication services. Other expenses increased by 736 million rubles, or 39.0%, from 1,887 million rubles for the year ended 31 December 2009 to 2,623 million rubles for the year ended 31 December 2010. This was primarily due to greater expenses related to taxes other than income tax, resulting primarily from an increase in property tax payments due to acquisition of fixed assets, software and licenses as a result of an upgrade of the Company's IT system and other expenses. This increase was partly offset by a decrease in expenses related to consulting services and charity.

Operating income

Operating income increased by 419 million rubles, or 25.0%, from 1,674 million rubles for the year ended 31 December 2009 to 2,093 million rubles for the year ended 31 December 2010, as a result of the factors discussed above.

Liquidity and capital resources

As of 31 December 2010, the Company had cash and cash equivalents of 1,291 million rubles and the Company's current assets exceeded its current liabilities by 25 million rubles.

The Company's business is asset and capital-intensive and requires substantial capital expenditures for, among other things, the purchase of flatcars and containers, the development of rail-side terminals and investment in the expansion and modernization of its truck fleet. For the year ended 31 December 2010, the Company's operations and the majority of its capital expenditures were financed from internally generated cash flows, while bond issuance was used primarily for the purposes of optimizing the debt structure and reducing the cost of debt.

Interest expense

Interest expense decreased by 97 million rubles, or 10.3%, from 945 million rubles for the year ended 31 December 2009 to 848 million rubles for the year ended 31 December 2010, as a result of the Company's measures aimed at optimizing its debt structure and reducing the cost of debt. In particular, in March 2010, the coupon rate of the Company's 3 billion rubles in non-convertible five-year bonds (Series 1) fell from 16.5% per annum to 9.5% per annum. In addition, as a result of the issuance of a further 3 billion rubles in non-convertible amortizing five-year bonds with a coupon rate of 8.8% per annum, the Company refinanced more expensive bank debt with nominal interest rates ranging from 12.0% to 12.5% and finance lease obligations with effective interest rates at approximately 24.9%. Moreover, in the first half of 2009, the Company had borrowed approximately 3 billion rubles in short-term loans (denominated in rubles and US dollars) with interest rates ranging from 13.5% to 18% per annum, which were repaid within the same year.

Interest income

Interest income decreased by 20 million rubles, or 57.1%, from 35 million rubles in the year ended 31 December 2009 to 15 million rubles in the year ended 31 December 2010. This was due to an overall fall in interest rates in Russia, as well as the promissory notes of Finans-Proyekt becoming non-interest bearing during 2009.

Profit before income tax

Profit before income tax increased by 574 million rubles, or 74.7%, from 768 million rubles for the year ended 31 December 2009 to 1,342 million rubles for the year ended 31 December 2010. The increase was due to the factors discussed above.

Income tax expense

Income tax expense increased by 235 million rubles, or 131.3%, from 179 million rubles for the year ended 31 December 2009 to 414 million rubles for the year ended 31 December 2010, primarily due to a rise in profit before income tax. The effective tax rate increased from 23.2% for the year ended 31 December 2009 to 30.1% for the year ended 31 December 2010, primarily due to a higher proportion of non-deductible expenses attributed to the profit before income tax. These non-deductible expenses were primarily related to post-employment benefits, non-recoverable VAT and changes in provisions for tax liabilities.

Total comprehensive income for the year

As a result of the factors discussed above, the profit for the year increased by 339 million rubles, or 57.5%, from 589 million rubles for the year ended 31 December 2009 to 928 million rubles for the year ended 31 December 2010. Taking into account differences arising from translating foreign operations, the total comprehensive income for the year was 935 million rubles for the year ended 31 December 2010.

Cash flows

The following table shows the principal components of the Company's consolidated cash flows for the years ended 31 December 2010 and 2009.

	2010	2009	Period-on-period change	
	RUR mln	RUR mln	RUR mln	%
Net cash provided by operating activities	3,653	2,168	1,485	68.5%
Net cash used in investing activities	(3,731)	(3,048)	-683	22.4%
Net cash provided by financing activities	922	1,011	-89	-8.8%
Net increase in cash and cash equivalents	844	131	713	544.3%
Cash and cash equivalents at the end of the year	1,291	449	842	187.5%

Cash flow provided by operating activities

Cash flow provided by operating activities increased by 1,485 million rubles, or 68.5%, from 2,168 million rubles for the year ended 31 December 2009 to 3,653 million rubles for the year ended 31 December 2010. This was primarily due to an increase in operating profit before working capital changes of 653 million rubles, from 3,628 million rubles to 4,281 million rubles. In turn, this resulted from an improved operational and price environment, as well as from changes in working capital, due to an increase in trade payables and VAT payable stemming from overall growth in the Company's business, which was partly offset by an increase in trade and other payables.

The cash flow provided by operating activities was also negatively affected by an increase in income tax paid, primarily due to an increase in profit before income tax.

Cash flow used in investing activities

Cash flow used in investing activities increased by 683 million rubles, or 22.5%, from 3,048 million rubles for the year ended 31 December 2009 to 3,731 million rubles for the year ended 31 December 2010. This was primarily due to an increase in capital expenditures of 939 million rubles, from 3,107 million rubles to 4,046 million rubles. This in turn was partly offset by an increase in proceeds from disposals of property, plant and equipment, from 135 million rubles to 230

million rubles, and by a decrease in purchase of intangible assets, from 66 million rubles to 18 million rubles.

Cash flow provided by financing activities

Cash flow provided by financing activities decreased by 89 million rubles, or 8.8%, from 1,011 million rubles for the year ended 31 December 2010 to 922 million rubles for the year ended 31 December 2009. This was primarily due to a fall in proceeds from short-term bank loans, as proceeds from the issuance of the Series 2 bonds were used mainly to refinance bank loans and finance lease obligations.

Capital expenditures

Capital expenditures increased by 939 million rubles, or 30.4%, from 3,107 million rubles for the year ended 31 December 2009 to 4,046 million rubles for the year ended 31 December 2010. The bulk of the capital expenditure, of approximately 3,419 million rubles, was spent on the acquisition of flatcars, including 1,328 80-foot flatcars and 50 40-foot flatcars from manufacturers, as well as the acquisition of 825 40-foot flatcars totaling 889 million rubles resulting from the termination of an operating lease contract in June 2010.

The Company also continued spending on developing and modernizing key terminals,

such as Kleshchikha, Kostarikha, Zabaikalsk, and Sverdlovsk-Tovarny. Other capital expenditure items included the renovation of the Company's office building and purchase of lifting equipment, as well as investments in the Company's newly established subsidiaries and joint ventures, such as TransContainer Europe, TransContainer Slovakia, TransContainer Asia Pacific, Rail-Container and FELB.

Planned capital expenditures for 2011

The Company's capital expenditures program is aimed at maintaining TransContainer's leadership in the container market, improving its positions in the foreign markets, and optimizing its asset structure and key operational metrics.

The total planned budget for purchases of property, plant and equipment for 2011 is up to 4.7 billion rubles (excluding VAT). Of this, up to 2.7 billion rubles may be spent on purchasing new 80-foot flatcars; up to 0.3 billion rubles on 40-foot containers; and up to 0.8 billion on upgrading and modernizing the Company's key rail-side terminals.

Capital resources

Since the Company's inception, operations and capital expenditures have been financed primarily from internally generated cash flow and proceeds from issuing domestic debt. As of 31 December 2010, the Company's financial indebtedness consisted of outstanding bonds and financial lease obligations in an aggregate principal amount of 7,026 million rubles, compared with 6,581 million rubles as of 31 December 2009. As of 31 December 2010, the Company's net debt was 5,735 million rubles.

As of 31 December 2010, all of the Company's financial indebtedness was unsecured, except for the obligations under finance leases, which were secured by the lessors' title to the lease assets. The Company does not have any indebtedness denominated in currencies other than Russian ruble, or any indebtedness bearing interest rates other than at fixed rates.

Series 1 ruble bonds

On 4 March 2008, the Company issued non-convertible five-year bonds totaling 3 billion rubles, each with a par value of 1,000 rubles. On 13 March 2009, the majority of the bondholders requested redemption of their bonds in accordance with the put option. The Company redeemed the bonds and re-issued them on the same day. As at 31 December 2009, the coupon rate for the bonds was 16.5% per annum, with the interest being paid semi-annually. On 12 March 2010, the coupon rate for the fifth and all subsequent coupon rates was reduced to 9.5%, in accordance with the terms of the initial bond offering. There are no further put options on the bonds until their maturity in February 2013; accordingly, as at 31 December 2010, these bonds are classified as long-term borrowings. As at 31 December 2009, the bonds were classified as short-term borrowings.

Series 2 ruble bonds

On 10 June 2010, the Company issued non-convertible five-year bonds totaling 3 billion, each with a par value of 1,000 rubles. The net proceeds from the issuance after the deduction of related offering costs amounted to 2,975 million rubles. The annual coupon rate of the bonds is 8.8%, with the interest paid semi-annually. The Series 2 bonds are required to be redeemed in four equal semi-annual installments during the fourth and fifth years. As a result, these borrowings are classified as long-term borrowings as at 31 December 2010.

Working capital

The Company's working capital is defined as the difference between its current assets and current liabilities. The table below shows the key components of TransContainer's working capital for the years ended 31 December 2010 and 2009.

	2010	2009
CURRENT ASSETS		
Inventory	179	134
Trade and other receivables	1,331	1,941
Prepayments and other current assets	2,869	2,263
Prepaid income tax	115	98
Short-term investments	–	143
Cash and cash equivalents	1,291	449
Total current assets	5,785	5,028
CURRENT LIABILITIES		
Trade and other payables	3,965	3,172
Income tax payable	77	76
Taxes other than income tax payable	741	170
Provisions	34	–
Finance lease obligations, current maturities	545	793
Accrued expenses and other current liabilities	248	184
Deferred income	37	60
Current portion of long-term debt	113	3,153
Total current liabilities	5,760	7,608
Working capital	25	(2,580)

Working capital increased by 2,605 million rubles, from negative working capital of 2,580 million rubles to positive working capital of 25 million rubles between 31 December 2009 and 31 December 2010. This increase was primarily due to the reclassification of the Series 1 bonds from short- to long-term debt.

Since 2010, TransContainer has been developing a corporate risk management system.

The main risk management principles are contained in TransContainer's Risk Management Policy and are as follows:

- Managing all types of risk on every organizational level using a unified methodology
- Balancing the cost of potential risks with the cost of implementing the necessary management procedures
- Dividing authority between the Board of Directors, the General Director and the Audit Committee
- Integrating the Company's internal control system

Main risks

The Company's business is exposed to various risks, of which the main ones are listed below. The order is not linked to the likelihood of occurrence or potential impact on the Company.

Industry and operating risks

- Container transportation volumes have fallen in the past due to a deterioration in economic conditions, and this could negatively affect the Company's operations and financial results in the future
- The container shipping industry is cyclical and depends on the economic conditions of certain industries, which may result in adverse fluctuations in demand for container transportation services and pricing
- The Company's business depends on Russian Railways for infrastructure and the locomotive services that it provides
- TransContainer holds dominant positions in several segments of the container shipping market, which may subject the Company to regulatory interference in its operations
- The Company's container terminals have the status of "sites of common use" and are subject to regulation, which may restrict our flexibility in using them
- TransContainer's business depends on tariffs for infrastructure and locomotive services set by the Federal Tariff Service
- TransContainer's business may be subject to increasing competition from other companies or other modes of transportation
- The Company's management information systems and internal control systems could be less developed than those in more mature markets
- TransContainer's majority shareholder may have interests that conflict with those of the Company and its minority shareholders
- Modernizing the flatcar fleet may require significant capital expenditure
- TransContainer may be unable to obtain financing for its investment program on commercially acceptable terms
- Some of the Company's operations depend on obtaining and maintaining licenses
- The Company's insurance policy may be insufficient to cover all of the material risks that can arise in the ordinary course of business
- Though exchange-rate risks are currently insignificant, the Company may be exposed to them if the scale of its operations denominated in foreign currencies increases in the future
- TransContainer could incur significant costs for violations of applicable environmental laws and regulations

- The Company's operations rely on information systems to operate its business, and any failure of these systems could have an adverse effect on its operations.
- TransContainer may be unable to retain key personnel
- Expansion through mergers entails certain risks, and the Company may experience difficulties in integrating and managing new acquisitions
- A significant increase in the process for flatcars and higher inflation could negatively affect the Company's business and its prospects
- TransContainer is engaged in transactions with related parties that may present conflicts of interest

Country risk

TransContainer conducts its business in Russia and other CIS countries, where its main assets are also located. As such, the Company's operations are subject to certain country risks in places like Russia and Kazakhstan. These include political, economic, social and legal risks.

Corporate governance

Board of Directors*



DMITRY NOVIKOV



ALEXEY AVERIN



PETR BASKAKOV



ILYA RYASHCHIN



IRINA SHITKINA



ALEXEI DAVYDOV



DAVID HEXTER



GENNADY LOZOVSKY



ZHANAR RYMZHANOVA

* The new Board of Directors was elected by the Extraordinary General Shareholders' Meeting on April 18, 2011.
For further detail please refer to <http://www.trcont.ru/index.php?id=72&L=1>

DMITRY NOVIKOV

Chairman of the Board of Directors
 Date of birth: 1969
 Education: Moscow Institute of Finance, International Currency and Credit Relations
 2002 to 2007: Vice President of ALROSA
 2007 to present: Advisor to the President of Russian Railways
 Mr Novikov is also General Director of KRP-Invest.

ALEXEY AVERIN

Deputy Chairman of the Board of Directors
 Date of birth: 1962
 Education: Moscow State University of Foreign Affairs, under the USSR Foreign Ministry, Foreign Trade
 Up to 2005: Worked at the Foreign Ministry
 2005 to 2010: Head of Internal Affairs at Russian Railways
 2009 to present: Chairman of the Board of Directors at KRP-Invest
 2010 to present: Advisor to the President of Russian Railways

PETR BASKAKOV

General Director
 Date of birth: 1961
 Education: Moscow Institute of Railway Engineers, Management of Rail Transport Shipment Processes
 2003 to 2006: Director of the "TransContainer" Center for Cargo Container Traffic, a branch of Russian Railways
 March 2006 to present: General Director of TransContainer

ILYA RYASHCHIN

Date of birth: 1973
 Education: Nizhny Novgorod State University, Finance and Credit
 2006 to present: Head of Planning and Budgeting at Russian Railways, Chairman of the Board of Directors at PGK

IRINA SHITKINA

Independent Director
 Date of birth: 1965
 Education: Moscow State University, Legal Science, Doctorate in Law
 2005 to 2009: Deputy General Director for personnel and legal support at Elinar Holding Company
 2009 to present: Deputy General Director for corporate governance at Elinar Holding Company
 2005 to present: Professor in Business Law at Moscow State University

ALEXEI DAVYDOV

Date of birth: 1971
 Education: St Petersburg Institute of Engineering and Economics, Engineering and Economics; St Petersburg University, Law (1999)
 2006 to 2010: Head of Treasury at Russian Railways
 2010 to present: Head of Subsidiary and Dependent Company Management at Russian Railways

DAVID HEXTER

Independent Director
 Date of birth: 1949
 Education: Oxford University, Philosophy, Politics and Economics; Cranfield School of Management, MBA; London University, Philosophy; University College London, Legal Science and Political Theory
 2002 to 2004: member of the Board of Directors at KMB Small Business Bank
 Mr Hexter is also a member of the Board of Directors of KASPI Bank, and the Head of the Advisory Council on Investment at Private Equity New Markets Fund.

GENNADY LOZOVSKY

Date of birth: 1972
 Education: Chicago University, Economics 2004 to 2006: Executive Director, UFG/Delta Private Equity Partners
 At present: Director of Russian Cinema Holdings, Advisor to the Board of Directors at FML limited, Main Partner at EmCo Capital Partners, Partner at Salute Capital Mgt

ZHANAR RYMZHANOVA

Date of birth: 1968
 Education: Kazakh Academy of Management; Georgetown University
 2002 to 2010: Senior and Principal Banker for Transport, Russia, at the European Bank for Reconstruction and Development
 2010 to present: Director of Infrastructure and Energy for Russia at the European Bank for Reconstruction and Development

Key event of 2010: public offering of the Company's shares on the Russian and international stock exchange

The main event for TransContainer in 2010 was the public share offering in November. This resulted in a qualitative change for the Company: a shift from being a "quasi-state" to a public company.

The offering was a landmark event for Russian and international capital markets:

- It was the first public offering by a Russian rail container transportation company
- It was the first privatization during Russia's reform of the rail transportation industry

TransContainer's management views the deal as a major success because:

- The price was above the lower end of the range
- The multiples that resulted from the deal were higher than those at which shares of comparable public companies trade
- The placement was oversubscribed by about 30%
- The shareholder structure is fairly balanced geographically, with long-term investors making up the majority of shareholders

TransContainer's management believes that the deal is positive for perceptions of the Russian transportation and transportation infrastructure sectors on global stock markets and reflects the high value that the market assigns to the Company's management quality and strategy. The Company strictly observes Russia's Federal Law "On Joint Stock Companies", as well as the requirements and rules applicable to companies whose securities are traded on Russian bourses and on the London Stock Exchange.

When the shares were admitted for trading, TransContainer met Russian stock exchange corporate governance requirements (quote list "I"):

Requirement	Status
Board of Directors	+
No less than one independent director on the Board of Directors	+
Requirement of members of the Board of Directors, the collegiate executive body and the sole executive body to disclose information about ownership of Company shares	+
Regulations on insider information	+
Notice of General Meeting of Shareholders to be sent to shareholders no less than 30 days in advance (in accordance with the Company Charter)	+

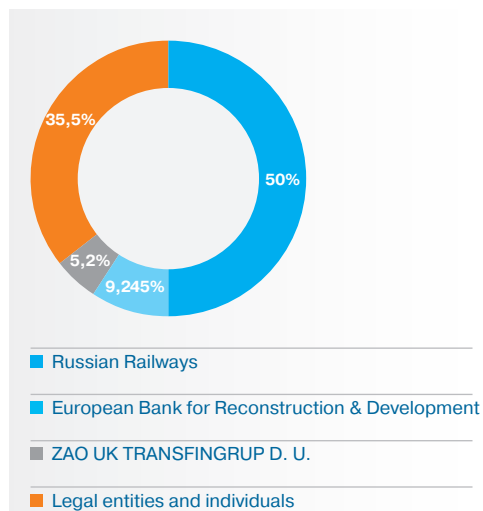
During the offering, Company shareholders (predominantly the majority owner, Russian Railways) sold a stake of 37.5% minus two shares, resulting in a significant change in the ownership structure. Russian Railways' stake fell from 85% to 50% plus two shares. As of 31 December 2010, TransContainer's ownership structure was as follows.

OWNERSHIP STRUCTURE AS OF 31 DECEMBER 2010*

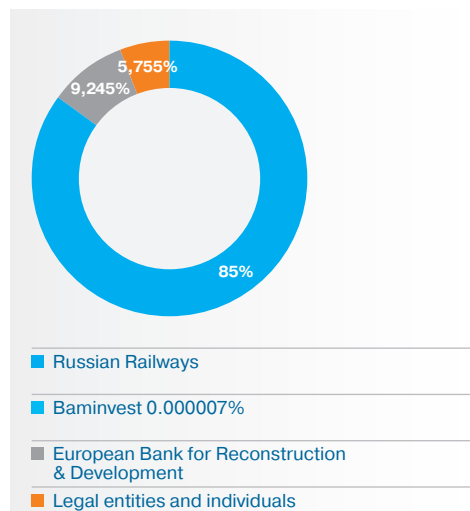
Name	Number of shares	Stake, %
Russian Railways	6,947,391	50.000014
European Bank for Reconstruction and Development	1,284,574	9.245
UK TRANSFINGROUP D.U., which manages the pension funds of NPF "WELFARE" 14/DU	723,383	5.2
Legal entities and individuals	4,939,457	35.55
Total	13,894,778	100

* Based on information from TransContainer's shareholder register as of 31 December 2010

OWNERSHIP STRUCTURE AS OF 31.12.2010



OWNERSHIP STRUCTURE AS OF 1 NOVEMBER 2010



TransContainer's shares trade on Russia's MICEX and RTS stock exchanges (quote list "I"), while its depositary receipts trade on the LSE.

OWNERSHIP STRUCTURE AS OF 1 NOVEMBER 2010*

Name	Number of shares	Stake, %
Russian Railways	11,810,561	84.999
Baminvest	1	0.000007
European Bank for Reconstruction and Development	1,284,574	9.245
Legal entities and individuals	799,642	5.755
Total	13,894,778	100

* Based on information from TransContainer's shareholder register as of 1 November 2010

Ordinary shares

TransContainer's charter capital is 13,894,778,000 rubles and consists of 13,894,778 ordinary shares with a nominal value of 1,000 rubles each.

INFORMATION ABOUT EACH CATEGORY OF SHARE

Type and category of share	Ordinary registered
Form of issue	Uncertified
Volume of issue, shares	13,894,778
Nominal value of 1 (one) security (in rubles)	1,000
Information on state registration of the issue	1-01-55194-E of 11 May 2006

Global Depositary Receipts (GDRs)

TransContainer's Global Depositary Receipts are based on a ratio of 10 GDRs = 1 ordinary share.

BNY Mellon (Cyprus) Nominees Ltd., a subsidiary of the Bank of New York Mellon, acts as the depositary.

On 31 December 2010, depositary receipts representing 20.4% of the Company's charter capital were trading on the LSE.

The quantity of securities trading on different exchanges can vary, as GDR holders can convert depositary receipts into ordinary shares and vice versa.

Trading platforms

As of 31 December 2010, TransContainer ordinary shares and GDRs traded on the MICEX, the RTS and the LSE.

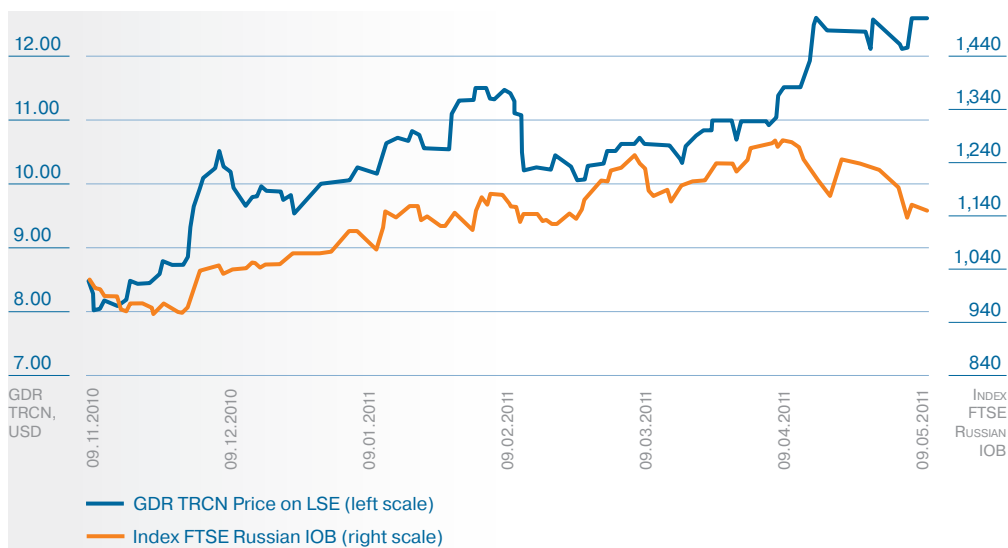
Share performance in the five months since the offering

In the five months since the offering, the Company's GDRs have risen by more than 37% on the LSE. During the same period, the FTSE Russian IOB index, which shows the overall performance of Russian stocks listed on the LSE, was up 27%.

Up to February 2011, the Company's share price significantly outperformed the MICEX index. Overall, during the five months since the offering, TransContainer's share price performance is comparable with that of the MICEX index, with both up by around 16%.

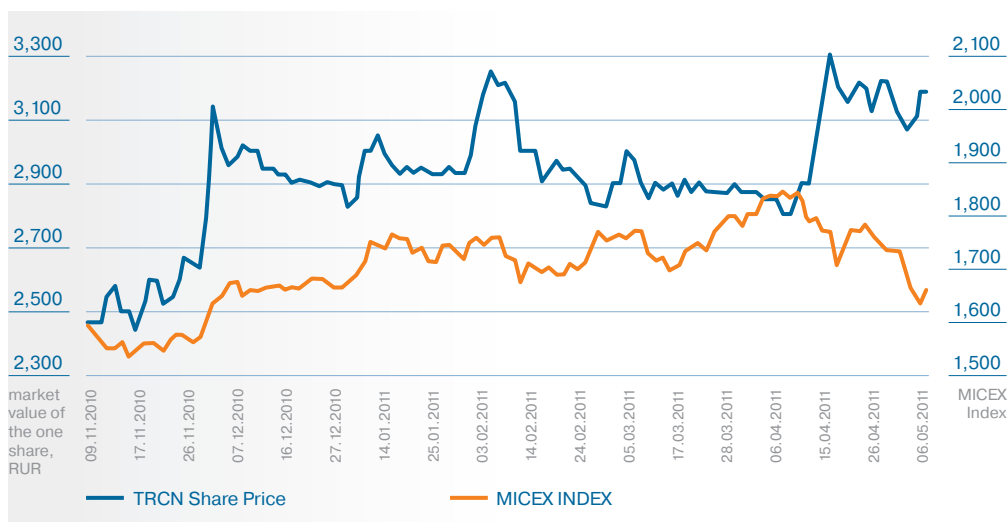
The liquidity of the Company's shares on the RTS is low. Only a handful of trades were carried out during the period in question. The table below shows all deals in the Company's shares on the RTS.

GDR (TICKER: TRCN) PERFORMANCE ON THE LSE



Source: London Stock Exchange

LOCAL SHARE (TICKER: TRCN) PERFORMANCE ON MICEX



Source: MICEX

HISTORY OF LOCAL SHARE (TICKER: TRCN) TRADING ON THE RTS

Date	Price	Number of shares
20.04.11	111.0	100
14.04.11	106.9	200
13.04.11	106.5	100
11.04.11	102.0	205
04.04.11	99.0	500
21.03.11	101.0	500
20.12.10	93.0	950

Source: RTS

Principles of corporate governance

TransContainer understands corporate governance to be the way in which shareholders, the Board of Directors and management, other stakeholders (creditors, counterparties, customers, employees, the state and municipalities, as well as subsidiaries and dependent companies and shareholders/stakeholders in those companies) interact within the decision-making process of its management.

TransContainer recognizes the importance of corporate governance to ensure operational effectiveness and greater investment attractiveness.

In addition to legal requirements and TransContainer's own internal regulations, the Company has adopted a Corporate Governance Code* (approved by the Board of Directors on 18 November 2009), setting out the following principles of corporate governance:

Equal and fair treatment of shareholders

TransContainer acts fairly in the interests of its shareholders and abstains from preferential treatment of any group of shareholders at the expense of others.

Accountability

TransContainer's General Director is accountable to the General Meeting of Shareholders and the Board of Directors and submits regular reports on his activities, allowing Company effectiveness to be evaluated. In turn, the Board of Directors is accountable to the General Meeting of Shareholders.

Transparency

TransContainer provides regular, timely, full and accurate disclosure of information about its activities.

Social responsibility

The Company strives to achieve long-term, sustainable profitability based on a balance between its own economic interests and the social, economic and ecological commitments that it has voluntarily assumed.

Information disclosure

TransContainer strictly adheres to legal requirements relating to information disclosure, including the Federal Law "On Joint Stock Companies," the Federal Law "On Securities Markets", recommendations from the Code of Corporate Behavior, requirements of the Federal Financial Markets Service, requirements of the British financial market regulator, and listing rules in Russia and London.

The Company has approved Regulations on Information Disclosure to protect the rights and legal interests of shareholders, meet legal requirements on information disclosure, increase transparency, and improve confidence in relations with shareholders, creditors, investors and other stakeholders.

Basic principles of information disclosure:

- Regular and timely provision of information
- Accuracy and completeness of information
- Availability of information disclosed
- Neutrality in disclosing information
- Ensuring a reasonable balance between openness and addressing commercial interests

TransContainer regularly, fully and in a timely manner discloses accurate information about all significant matters of its business. This includes its financial position, operating results, ownership structure, lists of affiliated parties, information about pertinent facts, information that could affect the value of its securities and other information in accordance with legal requirements, as well as other information that the Company deems necessary to bring to the attention of shareholders and investors.

Main corporate governance events in 2010:

- The Board of Directors established a Personnel and Remuneration Committee, headed by an independent director. Its main task is to set out key goals in the human resource and remuneration policy for the management.
- Three TransContainer subsidiaries were created:

TransContainer Asia Pacific Ltd. Co, which is based in South Korea. It will offer integrated logistics solutions for container shipments from South Korea to Russia and other countries in Eastern and Western Europe, allowing the Company to reduce delivery times by 20-25 days compared with traditional sea shipping.

TransContainer Europe GmbH, which is based in Austria. TransContainer Europe GmbH's main tasks are:

- To expand TransContainer's international presence in promising segments of the container shipping market
- To develop long-term, mutually beneficial cooperation with European partners to form a quality logistics service
- To help develop rail-based container transit between China and Europe

* Information about TransContainer's compliance with its Corporate Governance Code can be found in the Additional Information section of this annual report

Logistic Investment SARL, which is based in Luxembourg. The Company was established within the framework of developing the ownership structure for a block of shares of JSC Kedentransservis expected to be purchased in 2011.

- TransContainer’s purchase of a stake in Kedentransservis (Kazakhstan) was approved. Kedentransservis is a leading private operator of a network of rail terminals in Kazakhstan, managing terminals at 17 rail stations across the country and a fleet of diesel locomotives, 90% of which are main-line. The acquisition of the stake is an important part of TransContainer’s strategy and is aimed at strengthening its presence in fast-growing Asian markets and developing the transit potential of the 1,520 gauge area.

- A Leverage Policy for 2010 was approved. This established the procedure for evaluating the Company’s financial stability and creditworthiness to determine limits for management in implementing credit operations.
- TransContainer’s Risk Management Policy, Risk Management Systems Framework and Register of Risks (risk map) were approved. The main aim of risk management at TransContainer is to provide a reasonable level of confidence in achieving the Company’s goals by identifying, analyzing and managing possible risks. These documents contain the main aims of the Company’s risk management, its approach to classifying risks, key risk management principles, the roles and responsibility for risk management and the basic steps needed to create a corporate risk management system.

- TransContainer’s Internal Control Regulations were approved. The regulations govern the implementation of internal control procedures to help provide a reasonable guarantee that the Company will meet its goals.
- TransContainer’s Charity Policy and Charitable Operations Regulations were approved. These documents set out the aims and principles of providing charitable support, how this is implemented and ways of controlling the resources used in its provision.
- TransContainer’s Corporate Governance Improvement Program for 2010 was approved, providing for implementation of activities to increase information transparency, improve corporate governance standards, launch a strategic management process, and improve risk management systems.

Corporate governance ratings

In 2010, the quality of corporate governance at the Company was evaluated by independent ratings agencies. TransContainer has held domestic and international corporate governance ratings since 2008.

CHANGES IN TRANSCONTAINER’S CORPORATE GOVERNANCE RATINGS

	2008	2009	2010
GAMMA rating (Standard & Poor’s)	5+	6	6
National corporate governance rating (RID-Expert RA)	6	6+	7

Obtaining a high corporate governance rating is not all that the Company is seeking to do. The main aim is to develop corporate governance systems and improve corporate governance procedures. Above all, the Company sees ratings as a means of obtaining an independent external assessment of the work that it has carried out and setting targets for future development.

In 2010, TransContainer’s international rating was reaffirmed by Standard & Poor’s at GAMMA-6, indicating mature corporate governance processes and practices within the Company.

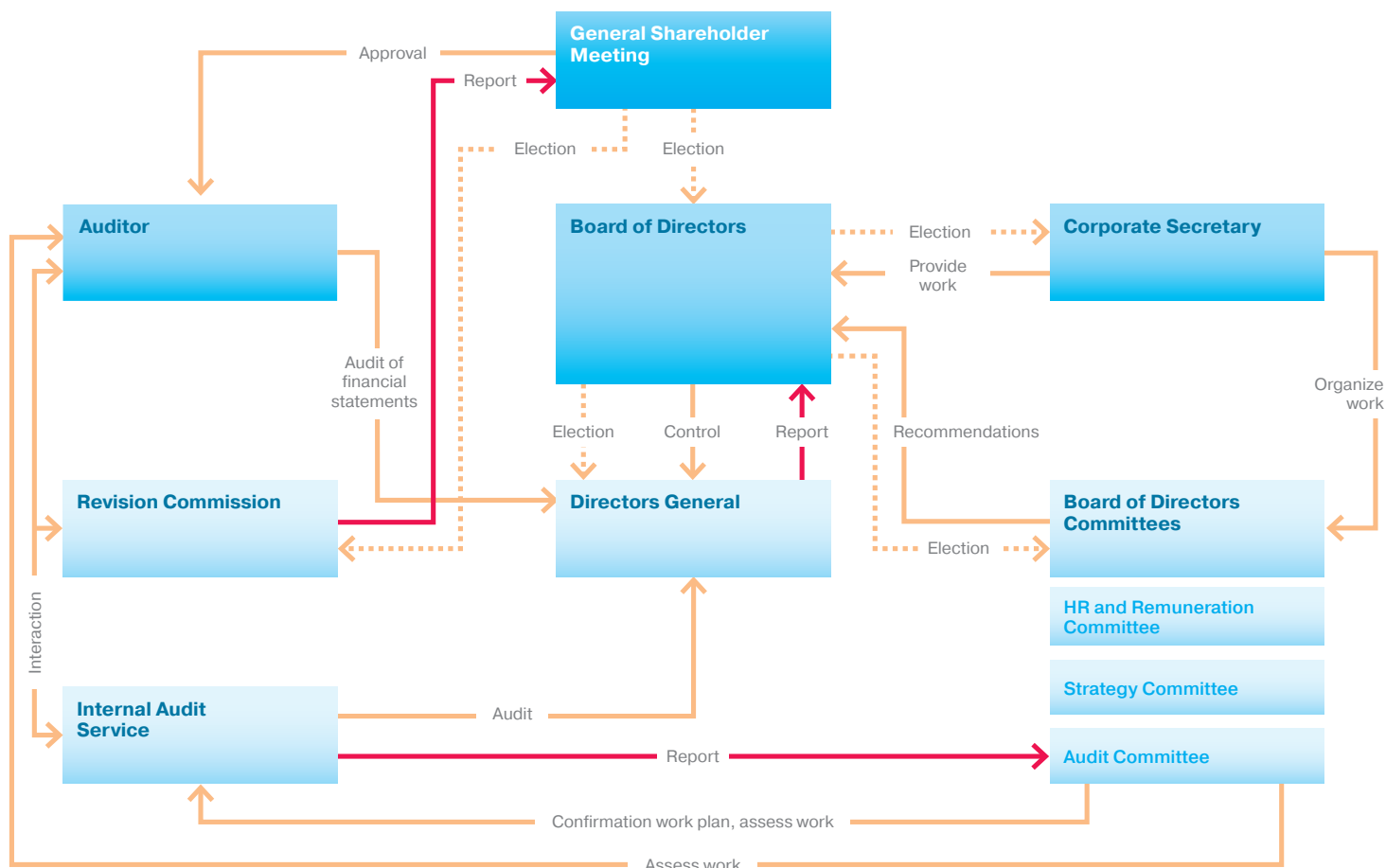
Among the strong aspects of TransContainer’s corporate governance, Standard & Poor’s analysts noted the following:

- The active role of the Board of Directors in taking decisions and controlling management
- The effective work carried out by the Board of Directors’ three committees: the Audit Committee, the Personnel and Remuneration Committee, and the Strategy Committee
- The quality of information disclosure through the corporate website and the level of information disclosure

- The strategic planning process, which has several strong elements: a formalized strategic planning process and proactive work by the Strategy Committee
- Improvements in the audit process; better interaction between the Audit Committee and the Internal Audit Service

In 2010, the RIS-Expert RA consortium raised TransContainer’s national corporate governance rating from 6+ to 7. This shows that the Company has low corporate governance risks, adheres to Russian corporate governance requirements, follows most recommendations from the Russian Code of Corporate Behavior, and separate recommendations from international best practice.

Interaction of management and control



Board of Directors

The Board of Directors is a collective governing body that determines the Company's development strategy and controls the operations of TransContainer's management.

In 2010, the composition of the Board of Directors changed twice.

From January to June 2010, the Board of Directors acted on the basis of a decision by the General Meeting of Shareholders dated 23 June 2009 (Minutes no. 10 dated 26 June 2009) with the following members:

A Averin
P Baskakov
M Liksutov
G Lozovsky
D Novikov
U Novozhilov
Z Rymzhanova
G Fedulov
D Hexter

That Board of Directors held 10 meetings, seven in person and three in absentia.

Following the decision of the Annual General Meeting of Shareholders dated 23 June 2010 (Minutes no. 13 dated 24 June 2010), a new Board of Directors was elected for 2010-11 as follows:

A Averin
P Baskakov
G Lozovsky
D Novikov
Z Rymzhanova
I Ryashchin
G Fedulov
D Hexter
I Shitkina

Between July and September 2010, this Board of Directors held four meetings in person.

On 19 October 2010, an Extraordinary Meeting of Shareholders (no. 15 of 20 October 2010) terminated the authority of the previous Board of Directors and elected a new one as follows:

A Averin
P Baskakov
A Davydov
G Lozovsky
D Novikov
Z Rymzhanova
I Ryashchin
D Hexter
I Shitkina

As a result of the change in the composition of the Board of Directors on 19 October 2010, Russian Railways representative G Fedulov was replaced by A Davydov.

Between October and December 2010, the Board of Directors held three meetings in person.

Statistics from meetings of the Board of Directors

In 2010, the Board of Directors held 18 meetings, 15 of which were in person and three in absentia. At these meetings, 211 issues were discussed and more than 200 related-party transactions were approved.

The participation of each director in meetings held in 2010 was as follows:

Name	Participation	Rate
D Novikov	17/18	95%
A Averin	14/18	78%
P Baskakov	17/18	95%
A Davydov	2/3	67%
M Liksutov	10/10	100%
G Lozovsky	16/18	89%
Y Novozhilov	4/10	40%
I Ryashchin	4/8	50%
Z Rymzhanova	15/18	83%
G Fedulov	12/15	80%
D Hexter	18/18	100%
I Shitkina	8/8	100%

Board members do not own shares in the Company. The General Director, Petr Baskakov, owns 1,700 TransContainer shares, which represented 0.012% of the share capital of the Company.

Independent Directors

In July 2009, TransContainer's Board of Directors discussed the criteria for independent directors, in accordance with which David Hexter and Irina Shitkina were elected. The Board of Directors made the same decision when re-electing the board in July 2010, after the new Board had been selected by the Annual General Meeting of Shareholders.

In determining the independence of directors, the Board of Directors was guided by Russian legislation, recommendations from the Federal Code of Corporate Behavior and the UK's Combined Code on Corporate Governance, as well as criteria from TransContainer's own Corporate Governance Code.

Independent directors have made a significant contribution to the Board of Directors, expressing independent opinions and demonstrating true independence in voting on agenda items. This has enabled the development of solutions that take into account the interests of the various stakeholder groups and improvement in the quality of managerial decisions.

Independent directors head two of the Board of Directors' Committees: David Hexter is head of the Audit Committee, while Irina Shitkina is head of the Personnel and Remuneration Committee.

Board of Directors' Committees

The following committees have been created by the Board of Directors:

- Strategy Committee
- Audit Committee
- Personnel and Remuneration Committee

The main aim of the committees is to ensure that the Board of Directors works effectively through prior review and preparation of recommendations on issues falling under its competence.

In 2010, the committees carried out significant work on building strategic management, internal control and risk management, and management motivation systems.

Strategy Committee

The Strategy Committee is tasked with developing recommendations for the Board of Directors in terms of Company priorities, devising Company strategy, suggesting how best to implement it and controlling its implementation.

Between January and July 2010, the Strategy Committee consisted of the following directors:

Name	Position
A Averin	Deputy Chairman of the Board of Directors
P Baskakov	Member of the Board of Directors, General Director
M Liksutov	Independent Director, Chairman of the Strategy Committee
G Lozovsky	Member of the Board of Directors
R Valeyev	Not a member of the Board of Directors, Deputy Head of Subsidiary and Dependent Company Management at Russian Railways

On 21 July 2010, the Board of Directors re-elected the Strategy Committee as follows:

Name	Position
P Baskakov	Member of the Board of Directors, General Director
G Lozovsky	Member of the Board of Directors
R Valeyev	Not a member of the Board of Directors, Deputy Head of Subsidiary and Dependent Company Management at Russian Railways
C Wolff	Not a member of the Board of Directors
G Fedulov	Member of the Board of Directors, Chairman of the Strategy Committee

From 20 October to December 2010, the composition of the Strategy Committee was as follows:

Name	Position
P Baskakov	Member of the Board of Directors, General Director
G Lozovsky	Member of the Board of Directors
R Valeyev	Not a member of the Board of Directors, Deputy Head of Subsidiary and Dependent Company Management at Russian Railways
A Davydov	Member of the Board of Directors, Chairman of the Strategy Committee

In 2010, seven Strategy Committee meetings were held, two of which were in absentia.

Participation of Strategy Committee members in meetings in 2010

Name	Participation	Rate
A Averin	2/3	67%
P Baskakov	4/7	57%
M Liksutov	3/3	100%
G Lozovsky	6/7	86%
R Valeyev	6/7	86%
C Wolff	0/3	0%
G Fedulov	3/3	100%
A Davydov	1/1	100%

Audit Committee

The Audit Commission's functions include control over the completeness and reliability of the Company's financial statements, evaluation of the effectiveness of internal control and risk management systems, and interaction with internal and external auditors.

Composition of Audit Committee

From January to June 2010, the Audit Committee consisted of the following directors:

Name	Position
D Hexter	Member of the Board of Directors, Chairman of the Audit Committee
S Andreikin	Head of Financial and Economic Planning at Russian Railways
A Averin	Member of the Board of Directors
M Liksutov	Independent Director

From July to September 2010, the Audit Committee consisted of the following directors:

Name	Position
D Hexter	Member of the Board of Directors, Chairman of the Audit Committee
R Valeyev	Not a member of the Board of Directors, Head of Asset Management and Project Development at Russian Railways
A Averin	Member of the Board of Directors
M Liksutov	Independent Director

Between 20 October and December 2010, the Audit Committee consisted of the following directors:

Name	Position
D Hexter	Member of the Board of Directors, Chairman of the Audit Committee
A Averin	Member of the Board of Directors
I Shitkina	Independent Director

In 2010, nine meetings of the Audit Committee were held, all of which were in person.

Participation of Audit Committee members in meetings in 2010

Name	Participation	Rate
M Liksutov	4/5	80%
S Andreikin	5/5	100%
R Valeyev	1/2	50%
D Hexter	9/9	100%
A Averin	6/9	67%
I Shitkina	3/4	75%

Personnel and Remuneration Committee

The Personnel and Remuneration Committee was created in July 2010. Its functions include defining key goals in personnel and remuneration policy covering the management.

Composition of Personnel and Remuneration Committee

Name	Position
I Shitkina	Independent Director, Chairman of the Personnel and Remuneration Committee
A Averin	Member of the Board of Directors
I Ryashchin	Member of the Board of Directors
I Kostenets	Not a member of the Board of Directors, Head of Organizational and Staffing Issues at Russian Railways

After the Board of Directors was re-elected in October 2010, the Personnel and Remuneration Committee remained the same.

In 2010, four meetings of the Personnel and Remuneration Committee were held in person.

Participation of Personnel and Remuneration Committee members in meetings in 2010

Name	Participation	Rate
I Shitkina	4/4	100%
A Averin	2/4	50%
I Ryashchin	1/4	25%
I Kostenets	4/4	100%

Remuneration of members of the Board of Directors

Payment of remuneration and compensation to members of the Board of Directors is carried out in accordance with the Regulations on Paying Remuneration and Compensation to Members of the Board of Directors, approved by an Extraordinary General Meeting of Shareholders on 25 September 2008 (Minutes no. 7 dated 29 September 2008).

In accordance with the regulations, remuneration of members of the Board of Directors consists of two elements: remuneration for participation in the work of the Board of Directors and an annual bonus.

Remuneration for participation in the work of the Board of Directors (regardless of how meetings are held) is set at three times the minimum monthly wage at Russian Railways* after meetings of the Board of Directors have been held. Remuneration is taken from the current year's profits.

In 2010, overall remuneration paid to members of the Board of Directors for participation in the work of the Board in 2010 stood at 2,689,707 rubles.

The annual bonus for members of the Board of Directors consists of two parts:

- Fixed bonus of 1,400,000 rubles a year (without taking into account attendance rates, assuming a reduction in annual remuneration in proportion to the number of meetings missed)
- Bonus for any increase in the Company's capitalization, which is paid in shares equivalent to US\$70,000 per member

* From 1 February 2011, the minimum monthly salary at Russian Railways was 6,156 rubles.

Representatives of Russian Railways on the Company's Board of Directors (D Novikov, A Averin, P Baskakov, Y Novozhilov and G Fedulov) waived their annual bonuses in 2010 due to the insignificant size of the net profit in 2009.

Annual bonus payments were made to representatives of minority shareholders and independent directors.

The overall remuneration paid to members of the Board of Directors in 2010 was 13,400,117.69 rubles.

In accordance with the Company's Regulations for Board of Directors' Committees, as well as budget committees approved by the Board of Directors, Committee members are paid for participation in Committee business and an annual bonus.

For participation in Committee meetings, remuneration is set at three times the minimum monthly wage at Russian Railways.

Members of Board of Directors' Committees are paid their annual bonuses based on a decision by the Annual General Meeting of Shareholders.

In 2010, the overall remuneration paid to members of the Board of Directors, the General Director and 19 key managers (including insurance payments and before deduction of personal income tax) stood at 94,000,000 rubles.

Corporate Secretary

The main tasks of the Corporate Secretary are to ensure that Company bodies and officers comply with relevant legislation, the Company Charter and internal documents regulating the provision and protection of shareholder rights. The Corporate Secretary should also prepare for and arrange the General Meeting of Shareholders and Board of Directors' meetings, handle information disclosure, and improve existing corporate governance practice.

The Corporate Secretary's duties include:

- Preparing for and arranging General Meetings of Shareholders
- Facilitating the work of the Board of Directors
- Organizing work for the Board of Directors' Committees
- Handling communications between the Company and its shareholders
- Managing information disclosure about the Company's operations
- Developing proposals to improve corporate governance

General Director

Management of Company operations is performed by a single executive body, the General Director, who is accountable to the General Meeting of Shareholders and the Board of Directors. The General Director's duties cover all operational issues except those that fall under the competency of the General Meeting of Shareholders and the Board of Directors.

The General Director acts without power of attorney on behalf of the Company while observing the limitations placed by Russian legislation, the Company Charter and decisions by the Board of Directors.

Petr Baskakov has been TransContainer's General Director since 2006.

Mr Baskakov owns 1,700 TransContainer shares.

REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS AND COMMITTEES IN 2010

Type	Amount (RUR)
Remuneration for participation in the work of the Board of Directors	2,689,707
Annual bonuses for members of the Board of Directors	13,400,117.69
Remuneration for participation in the work of the Board of Directors' Committees	2,028,548.25
Annual bonuses for members of the Board of Directors' Committees	2,153,484
Total	20,272,856.94

Dividend policy and history

The Company's dividend policy was approved by the Board of Directors on 27 October 2008.

It is based on the following principles:

- An annual dividend payment when the Company posts a net profit
- Balance between the interests of the Company and its shareholders
- A desire to increase the Company's market capitalization and its investment attractiveness
- Observing shareholder rights set out in Russian legislation and best practice in corporate governance
- Transparency in setting and paying out dividends

Dividend payments are approved by the General Meeting of Shareholders based on recommendations by the Board of Directors. Among other things, they depend on Company strategy, its investment program and financial position, and general economic conditions.

Dividends are funded from TransContainer's net profit, which is determined by Company accounts calculated in accordance with Russian legislation.

Auditor

The Company has a policy of rotating its external auditors and using external auditors for non-audit services. This is aimed at ensuring the independence of TransContainer's audit process.

The Audit Committee holds tenders for external auditors for both RAS and IFRS accounts at least once every five years.

To ensure a high quality of audit services, the Company selects one of the "Big Four" audit firms.

To ensure the independence of the external audit process, the Audit Committee oversees the provision of non-audit services by the auditor as set out in Company policy governing rotation of the external auditor and interaction with the external auditor for non-audit services.

The Audit Committee evaluates the quality of the external auditor's work and its independence on an annual basis.

As per a decision by the General Meeting of Shareholders dated 14 September 2010 (Minutes no. 14 dated 17 September 2010), Deloitte and Touche CIS was approved as the Company's auditor, after a tender held by TransContainer's Audit Committee.

The auditor is authorized to audit TransContainer's accounts for 2010 under both local and international standards.

Internal Audit Service

The Internal Audit Service (IAS) was created in 2009 following a decision of the Board of Directors. Its aims are to improve the effectiveness of internal control systems and risk management, provide full and reliable information on operations to Company bodies, and identify and prevent violations and malpractice.

The IAS is accountable to the Board of Directors' Audit Committee, which also approves its annual plan.

DIVIDEND PAYMENTS FROM 2007 TO 2010

Dividends	2007 (for 2006)	2008 (for 2007)	2009 (for 2008)	2010 (for 2009)
Overall dividend payout, RUR mln	144.2	153.3	268.0	2.2
Dividends per share, RUR	10.38	11.03	19.29	0.16
Dividends as a percentage of net profit	10%	10%	10%	10%
Date of dividend announcement	20.06.2007	20.06.2008	23.06.2009	23.06.2010
Date of dividend payment	13.08.2007	22.08.2008	20.08.2009	10.08.2010

Revision Commission

The Revision Commission is tasked with providing continuous internal control over the Company's financial activities, including those of its branches and representative offices, to ensure compliance with Russian legislation, the Company Charter and its internal documents.

The Revision Commission acts in the interests of shareholders and is accountable to the General Meeting of Shareholders. It works independently of Company officers. Neither Company officers nor employees can be members of the Revision Commission.

Payment of remuneration to members of the Revision Commission is carried out in accordance with TransContainer's Regulations for Paying Remuneration and Compensation to Members of the Revision Commission, approved by the General Meeting of Shareholders (Minutes no. 1 dated 25 December 2006). For participation in verifying (auditing) the Company's financial activities in 2010, members of the Revision Commission were paid 204,260,000 rubles.

On 23 June 2010, the Revision Commission was elected by the General Meeting of Shareholders as follows:

Name	Position
Oleg Ivanov	Head of the Center for Control and Internal Audit on Rail Transport, a division of Russian Railways, Chairman of the Audit Commission
Natalya Lem	Head of Accounts at Russian Railways
Sergei Davydov	Head of Financial Investment and Subsidiary Accounting, part of Accounts at Russian Railways
Anna Chernyavskaya	Chief Auditor, Head of Sector, Deputy Head of Department in the Center for Control and Internal Audit on Rail Transport, a division of Russian Railways
Lyudmila Bulgakova	Chief Expert in Financial Controlling and Forecasting, part of Corporate Finance at Russian Railways

Registrar

In October 2010, Registration Company "Status" * was approved as TransContainer's registrar. The Company transferred the information and documents necessary to keep the register on 24 December 2010. Status began keeping a register of owners of TransContainer's securities on 27 December 2010.

The decision to change the registrar and end the agreement with TsMD came after the Federal Financial Markets Service withdrew TsMD's license to provide registrar services from 1 February 2011.

* Information about Status' details can be found in the Corporate Details section of this annual report.

Corporate social responsibility

HR and social policy

TransContainer's HR policy is shaped by the Company's core goals.

The HR policy aims to meet TransContainer's demand for qualified personnel and to develop the potential of its staff to implement strategy.

The cornerstone of TransContainer's HR policy is the understanding that employees are the main resource that defines how effectively the Company will achieve its strategic goals.

In 2010, changes in the main HR indicators depended on effect of the cost savings policy that the Company implemented during the recession, and on the increasing competition in human resources due to developing and establishing Russian Railways' affiliates.

TransContainer makes efforts to motivate and incentivize employees and maintain high levels of morale and to provide social benefits for staff.

In 2010, the Company's core HR priorities were as follows:

- Providing professional staff across all lines of the business
- Improving staff efficiency
- Motivating employees
- Personnel development, training, re-training and professional qualifications
- Training a reserve pool of managers
- Creating an effective benefits system for employees

Indicator	Actual headcount as of 31.12.09	Actual headcount as of 31.12.10	Change, people	Change, %
Total*	5,492	5,370	-122	-2.2%
Administrative staff	389	418	29	7.5%
Branches	5,103	4,952	-151	-3.0%

* excluding foreign representative offices and affiliates

Indicator	2009	2010	Change	Change, %
Average staffing number*, people	5,274	5,150	-124	-2.3%
Average salary, RUR/month	28,803	36,143	7,340	25.5%
Personnel turnover, %	6.6%	9.2%	2.6	

* excluding foreign representative offices and affiliates

Personnel development, training, re-training and professional qualifications

Personnel development through training, re-training and additional professional qualifications is the responsibility of the Methodology and Training department, which the Company created in 2009.

The department runs personnel development under the "TransContainer Standards for Training, Re-Training and Additional Professional Qualifications for Staff", approved by the General Director. It sets out professional development for employees, including planning procedures and timeframes and appropriate resources for staff training.

TransContainer's main business lines involve dealing with river-, road- and sea-transport companies, as well as other operators and freight-forwarders. This in turn defines its staff development needs. Most employees have a higher education in the railways sector and want to broaden their areas of expertise to encompass other forms of transport.

Company managers and experts receive training at major educational institutes – including the Higher School of Economics and the Russian Presidential Academy of National Economy and Public Administration – undertake MBA courses, and study at PricewaterhouseCoopers, Ernst & Young's business academy, Digital Design, Russian Railways' Corporate University, etc.

SPENDING ON STAFF TRAINING, 2006-2010

	2007	2008	2009	2010
Number of employees given training	834	1,231	1,357	942
Spending (RUR mln)	11.6	18.3	14.5	14.6

Twenty-four managers and experts have completed MBA programs at the Moscow State University of Railway Engineering, and a further 22 promising employees are currently studying. Three members of the Company's central management are studying on MBA programs at the Russian Presidential Academy of National Economy and Public Administration.

In 2010, eight specialists and managers from the Company's central management received FIATA diplomas after completing programs in international freight forwarding at the Russian Association of Freight-Forwarders' Professional Development Center.

Also in 2010, the General Director completed the first semester of the program at Russian Railways' Corporate University.

Sixty-five Company employees are studying on university distance-learning programs.

In total, 942 staff undertook professional development in 2010. The Company spent 14.6 million rubles on this.

TransContainer also focuses on training students to work at the Company. Ninety-three students studying full-time at universities and another 14 in business education will join the Company on completion of their studies. In 2010, a group of 20 students graduated from the Moscow State University of Railway Engineering on the Logistical Systems and Freight Delivery Technologies program. All of them now work in the Company's central management and the branch on the Moscow railway and are designated junior specialists.

A study group to provide specialist seminars for Company employees was established in 2010.

Employee incentivization

Incentivization is a central pillar of HR policy. To improve the Company's pay structure, in 2010, a Resolution on Incentives for Managers came into effect following approval by the Board of Directors. It aims to improve management efficiency across the Company and includes:

- Quarterly bonuses for achieving volume and financial targets
- An annual bonus based on KPIs
- Salaries for employees were indexed at 3.9% from 1 May, 1.2% from 1 August and 1.8% from 1 November.
- At the end of 2010, the minimum monthly wage at TransContainer was 4,918 rubles.

Last year, the average monthly wage across the Company was 36,143 rubles.

TransContainer also makes extensive use of motivational strategies to complement the material incentives that it offers. Core motivational strategies are the Honors Board and Honors Book, as well as competitions of professional skills with awards for the winners.

SOCIAL BENEFITS

The core social benefits provided to employees are enshrined in the Collective Bargaining Agreement. They include:

- Mandatory and collective voluntary medical insurance, giving employees the right to free medical care in hospitals
- Life insurance for all employees working in hazardous areas

- Reimbursing the cost of train tickets to place of work, summer house and vacation. If an employee travels more than 3,000 kilometers to reach a holiday destination, the cost of a plane ticket is covered up to the cost of a ticket in a sleeper car.
- Summer camps for children
- Subsidized stays at health resorts for employees and family members, as well as the right to part-payment of stays paid for by employees
- Part-payment of the cost of children's pre-school education
- Remuneration and benefits for junior specialists are set out by a resolution approved by the Board of Directors in October 2006:
 - one-time advance payment of monthly salary on acceptance of a job offer
 - payment of relocation expenses for employees and family members
 - paid leave of up to seven days to make arrangements at a new place of residence
 - possibility of corporate assistance in improving living conditions on relocation for business reasons

Social program for staff

The Company offers a social program to attract and retain employees.

CORPORATE PENSION PLAN

Pensions are provided by independent pension provider Blagosostoyaniye under a resolution adopted by the Board of Directors. Any employee may join the program, and the Company will match contributions towards a future pension. The size of contributions depends on the size of deductions, the employee's length of service, and the average monthly salary over the previous two years. The pension may not be larger than the average monthly salary across the Company for the previous year. In total, 1,210 employees have joined the scheme, including 50 in 2010. Forty employees who retired in 2010 were granted a corporate pension of 4,380 rubles a month.

ACCOMMODATION PROGRAM

The accommodation program:

- partly subsidizes employees' mortgage interest repayments
- provides corporate assistance should employees wish to acquire or construct housing

To date, 80 employees have improved their living conditions thanks to the program.

HEALTH PROGRAM

The health program aims to improve employees' health by providing opportunities for physical exercise and sport. TransContainer rents sports halls for various forms of sport and fitness. A sports committee, chaired by the First Deputy General Director, coordinates the program, as well as the Company's soccer team. In addition, TransContainer offers opportunities for employees to play volleyball, basketball, five-a-side soccer and tennis.

Quantitative and qualitative staff indicators

In 2010, the headcount (excluding representative offices abroad) averaged 5,150, including 4,767 industrial and production staff.

The headcount rose in 2008 due to the expansion of the Company's geographic presence in both domestic and foreign markets and to the establishment of a marketing network and an increase in services offered.

The reductions in employees in 2009 and 2010 were due to the need to bring the headcount into line with lower business volumes.

In 2010, the personnel changed in qualitative terms, the share of employees with a higher professional education rising from 42.2% to 45.8%.

Environmental safety

TransContainer considers environmental safety to be a mandatory part of the successful functioning of any business. The Company minimizes its impact on nature by using resource-saving technologies and by strictly adhering to legal requirements and standards for protecting the environment.

The environmental protection plan developed and implemented by the Company reduces its environmental footprint and, wherever possible, prevents a negative impact on the environment.

In 2010, TransContainer fulfilled all of its planned "green" measures, including:

1. Prompt payouts for negative impacts on the environment
2. Development of limits on emissions and on waste generated at Company headquarters
3. Pollutants were released into the atmosphere within the specified limits, while permissions were obtained for emissions from fixed sources. To minimize the human impact on the atmosphere, TransContainer's branches use emissions-cleaning equipment such as filter units, dry filters and bag filters, and air-purification systems for use in metalworking.
4. To reduce water usage and wastage, TransContainer's branches will be fitted with equipment to control the quality of wastewater and sewage. All branches draft a water conservation plan on an annual basis.
5. To recycle hazardous waste, agreements have been put in place with specialist companies that have licenses to remove and recycle mercury tubes, domestic waste, scrap metal and oily rags.
6. Solid waste is collected and stored in sealed units under SanPin 2.1.7.1322-03, "Hygiene Requirements for Safe Storage of Production and Consumption Waste"
7. Major maintenance work in 2010 included repairing asphalt coverings to protect soil from polluted rainwater at the agencies in Ussuriisk and Kostarikha

Energy efficiency

TransContainer is systematically working to conserve energy and increase energy efficiency. In addition to carrying out mandatory audits of its energy usage, the Company conducts regular checks of its energy supply and consumption, while its facilities are equipped with energy meters.

TransContainer has approved a plan to meet target consumption of key fuel and energy resources, in accordance with the Russian Energy Strategy to 2030, the 2009 Federal Law on Energy Efficiency and the Russian Railways Energy Efficiency Program.

Fuel and energy savings were achieved by implementing energy-saving measures and introducing more energy-efficient technologies and equipment.

Examples of the use of energy-efficient technology and energy savings in 2010 include:

- introducing at TransContainer's Kaliningrad branch a fuel-conservation system using a heat pump. Heat energy is extracted from the air and used to heat the premises, reducing electricity consumption. In 2010, electricity savings on heat generation totaled 10,000 kWt, or 22,990 rubles.
- switching to energy-saving lighting units
- optimizing loading and unloading processing using gantry cranes and loaders
- optimizing road routes to reduce distance travelled

SPENDING ON ENVIRONMENTAL MEASURES

	2007	2008	2009	2010
Spending (RUR mln)	4.9	14.3	14.9	15.6

IN 2010, THE COMPANY ACHIEVED THE FOLLOWING ENERGY SAVINGS THANKS TO THE PLAN:

Energy resource	Consumption	Consumption (RUR '000)
Electricity	1,415,900 kWh	4,063.6
Diesel fuel	173.45 tonnes	3,208.8
Gasoline	20.09 tonnes	467.1
Natural gas	238,500 m ³	839.5
Total		8,579

IN 2010, TRANSCONTAINER'S ENERGY USAGE WAS AS FOLLOWS:

Energy resource	Consumption	Consumption (RUR '000)
Electricity	19,484,000 kWh	55,994
Diesel fuel	4,974.4 tonnes	92,133
Gasoline	414.3 tonnes	9,642
Natural gas	2,619,000 m ³	9,217

Charity

TransContainer's charitable activity aims to improve people's quality of life and to help the vulnerable sections of society.

The core principles of the Company's charitable work are:

- charity projects that are long-term in nature
- transparency in the provision of charitable assistance
- clearly defined targets
- openness in collaboration with federal and state bodies, business and charities/NGOs
- control over the targeted use of Company funds to provide charitable assistance

The Company has three priority areas in its charitable work:

- help for children
- support for sport and the promotion of healthy lifestyles
- preserving Russia's cultural heritage

In 2010, the Company spent 59,810,026 rubles on charitable programs. Decisions on providing charitable assistance are made by the Company's Board of Directors.

As part of its charity activity in 2010, TransContainer acquired furniture and medical equipment for the Malakhov Children's Tuberculosis Sanatorium in Moscow Region. The Company works with this institution on an ongoing basis, providing assistance by supplying it with modern medical equipment, children's furniture and office equipment to ensure that patients are made as comfortable as possible and that staff have good working conditions.

In 2010, TransContainer played an active role in national celebrations to mark the end of the Second World War. It provides charitable assistance to the social organization Russia House ("Russky Dom") to repair monuments and plaques commemorating Soviet soldiers killed while fighting in Slovakia.

The Company also supported the House of Charity at the Mercy of the Holy Trinity Monastery in the village of Saraktash, Orenburg Region, which provides a home for more than 60 orphaned children and 80 elderly people, the terminally ill and people on their own. TransContainer's assistance was used to buy food for children at the home.



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Statement of Management's Responsibilities for the Preparation and Approval of the Consolidated Financial Statements for the Year Ended 31 December 2010

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of OJSC "TransContainer" (the "Company"), its joint ventures and subsidiaries (the "Group") as of 31 December 2010, and the consolidated results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS").

In preparing the consolidated financial statements, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective system of internal controls, throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the companies of the Group operate;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities. The consolidated financial statements of the Group for the year ended 31 December 2010 were approved on 28 April 2011 by:

P. V. BASKAKOV
General Director

K. S. KALMYKOV
Chief Accountant

Additional information

Independent Auditors' Report

To the Shareholders and Board of Directors of Open Joint Stock Company "TransContainer":

We have audited the accompanying financial statements of Open Joint Stock Company "TransContainer", its subsidiaries and its joint ventures (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2010, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2010, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion we draw your attention to Note 25 to the consolidated financial statements which disclose a significant concentration of the Group's transactions with related parties.



28 April 2011

Additional information

Consolidated Statement of Financial Position as of 31 December 2010 (Amounts in millions of Russian Roubles)

	Notes	2010	2009
ASSETS			
Non-current assets			
Property, plant and equipment	7	25,644	23,097
Advances for acquisition of non-current assets	7	2,004	2,308
Intangible assets		85	102
Deferred tax asset	24	4	–
Investments in associates		101	5
Long-term investments	8	8	201
Total non-current assets		27,846	25,713
Current assets			
Inventory		179	134
Trade and other receivables	9	1,331	1,941
Prepayments and other current assets	10	2,869	2,263
Prepaid income tax		115	98
Short-term investments	11	–	143
Cash and cash equivalents	12	1,291	449
Total current assets		5,785	5,028
TOTAL ASSETS		33,631	30,741
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	13,895	13,895
Reserve fund	13	284	283
Translation reserve		7	–
Other reserves	13	(2,221)	(2,221)
Retained earnings		7,411	6,486
Total equity		19,376	18,443
Non-current liabilities			
Long-term debt	14	5,976	1,520
Finance lease obligations, net of current maturities	15	392	1,115
Employee benefit liability	16	677	490
Deferred tax liability	24	1,438	1,516
Deferred income	15	12	49
Total non-current liabilities		8,495	4,690

The accompanying notes form an integral part of these consolidated financial statements.

	Notes	2010	2009
Current liabilities			
Trade and other payables	17	3,965	3,172
Income tax payable		77	76
Taxes other than income tax payable	18	741	170
Provisions	19	34	–
Finance lease obligations, current maturities	15	545	793
Accrued expenses and other current liabilities	20	248	184
Deferred income	15	37	60
Current portion of long-term debt	14	113	3,153
Total current liabilities		5,760	7,608
TOTAL EQUITY AND LIABILITIES		33,631	30,741

P. V. BASKAKOV
General Director

K. S. KALMYKOV
Chief Accountant

28 April 2011

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2010

(Amounts in millions of Russian Roubles, unless otherwise stated below)

	Notes	2010	2009
Revenue	21	22,841	16,400
Operating expenses, net	22	(20,748)	(14,726)
Operating income		2,093	1,674
Interest expense	23	(848)	(945)
Interest income		15	35
Foreign exchange gain, net		16	4
Other gains and losses		66	–
Profit before income tax		1,342	768
Income tax expense	24	(414)	(179)
Profit for the year		928	589
Other comprehensive income:			
Exchange differences on translating foreign operations		7	–
Total comprehensive income for the year		935	589
Earnings per share, basic and diluted (Russian Roubles)		67	42
Weighted average number of shares outstanding	13	13,894,778	13,894,778

P. V. BASKAKOV
General Director

K. S. KALMYKOV
Chief Accountant

28 April 2011

The accompanying notes form an integral part of these consolidated financial statements.

Additional information

Consolidated Statement of Cash Flows for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before income tax	1,342	768
Adjustments for:		
Depreciation and amortization	2,237	2,250
Change in provision for impairment of receivables	33	(25)
Gain on disposal of property, plant and equipment	(147)	(257)
Loss on impairment of property, plant and equipment	11	16
Loss from termination of finance leases	31	–
Interest expense, net	833	910
Other gains and losses	(66)	–
Foreign exchange loss/(gain), net	(16)	(4)
Change in provisions	23	(30)
Operating profit before working capital changes	4,281	3,628
(Increase)/decrease in inventory	(45)	13
(Increase)/decrease in trade and other receivables	(141)	458
Increase in prepayments and other current assets	(484)	(299)
Increase/(decrease) in trade and other payables	599	(458)
Increase/(decrease) in taxes other than income tax payable	643	(48)
Increase/(decrease) in accrued expenses and other current liabilities	64	(138)
Increase in employee benefit liabilities	187	27
Net cash from operating activities before income tax	5,104	3,183
Interest paid	(949)	(832)
Income tax paid	(502)	(183)
Net cash provided by operating activities	3,653	2,168
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(4,046)	(3,107)
Proceeds from disposal of property, plant and equipment	230	135
Purchases of long-term investments	–	(8)
Purchases of short-term investments	–	(88)
Proceeds from disposal of long-term investments	30	50
Proceeds from disposal of short-term investments	50	–
Purchase of intangible assets	(18)	(66)
Interest received	23	36
Net cash used in investing activities	(3,731)	(3,048)

The accompanying notes form an integral part of these consolidated financial statements.

	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	–	1,520
Proceeds from short-term borrowings	–	3,521
Proceeds from issue of bonds	2,975	2,855
Dividends paid	(2)	(268)
Repayments of finance lease obligations	(1,001)	(337)
Proceeds from sale and leaseback	404	–
Principal payments on long-term borrowings	(1,520)	–
Principal payments on short-term borrowings	–	(3,378)
Principal payments on short-term RUR bonds	–	(2,902)
Cash received from depository upon shareholder sale of GDRs	66	–
Net cash provided by financing activities	922	1,011
Net increase in cash and cash equivalents	844	131
Cash and cash equivalents at beginning of the year	449	453
Foreign exchange loss on cash and cash equivalents	(2)	(135)
Net cash and cash equivalents at end of the year	1,291	449

P. V. BASKAKOV
General Director

K. S. KALMYKOV
Chief Accountant

28 April 2011

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

	Share capital	Reserve fund	Translation reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2009	13,895	149	–	(2,221)	6,299	18,122
Profit and comprehensive income for the year	–	–	–	–	589	589
Dividends	–	–	–	–	(268)	(268)
Transfer to reserve fund	–	134	–	–	(134)	–
Balance at 31 December 2009	13,895	283	–	(2,221)	6,486	18,443
Profit for the year	–	–	–	–	928	928
Other comprehensive income for the year	–	–	7	–	–	7
Total comprehensive income for the year	–	–	7	–	928	935
Dividends	–	–	–	–	(2)	(2)
Transfer to reserve fund	–	1	–	–	(1)	–
Balance at 31 December 2010	13,895	284	7	(2,221)	7,411	19,376

P. V. BASKAKOV
General Director

K. S. KALMYKOV
Chief Accountant

28 April 2011

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010

(Amounts in millions of Russian Roubles)

1. NATURE OF THE BUSINESS

OJSC “TransContainer” (hereinafter the “Company”) was incorporated as an open joint stock company in Moscow, Russian Federation on 4 March 2006. The Company was formed as a result of a spin-off by OJSC “Russian Railways” (“RZD”), which is 100% owned by the Russian Federation, of certain of its activities and certain assets and liabilities related to container transportation into a separate legal entity. In connection with this spin-off RZD contributed to the share capital of the Company containers, flatcars, buildings and constructions in the amount of RUR 13,057 million, VAT receivable related to these assets of RUR 104 million, and cash of RUR 991 million, in exchange for the ordinary shares of the Company.

Furthermore, certain employees previously employed by RZD were hired by the Company. The Company assumed related employee ben-

efit liabilities from RZD. Pursuant to this spin-off, RZD maintained the functions of the carrier, whilst the Company assumed the functions of a freight forwarding agent.

The Company’s principal activities include arrangement of rail-based container shipping and other logistics services including terminal services, freight forwarding and intermodal delivery using rolling stock and containers. The Company owns and operates 46 container terminals along the railway network in Russia. As of 31 December 2010 the Company operated 18 branches located in the Russian Federation. The Company’s registered address is 12, Novoryazanskaya Street, Moscow, 107228, Russian Federation, and its principal place of business is 19, Oruzheiny pereulok, Moscow, 125047, Russian Federation.

The Company has ownership in the following entities:

Name of Entity	Type	Country	Activity	% interest held		% control held	
				2010	2009	2010	2009
Oy ContainerTrans Scandinavia Ltd.	Joint venture	Finland	Container shipments	50	50	50	50
JSC TransContainer-Slovakia	Subsidiary	Slovakia	Container shipments	100	100	100	100
Chinese-Russian Rail-Container International Freight Forwarding (Beijing) Co, Ltd.	Joint venture	China	Container shipments	49	–	50	–
TransContainer Europe GmbH	Subsidiary	Austria	Investing activities	100	–	100	–
TransContainer Asia Pacific Ltd.	Subsidiary	Korea	Container shipments	100	–	100	–
Trans-Eurasia Logistics GmbH	Associate	Germany	Container shipments	20	20	20	20
Far East Land Bridge Ltd.	Associate	Cyprus	Container shipments	10	–	25	–

Chinese-Russian Rail-Container International Freight Forwarding (Beijing) Co, Ltd. was established in August 2010 as a joint venture between the Company and China Railway International Multimodal Transport Co., Ltd., to act as an agent in providing transportation services on international routes.

TransContainer Asia Pacific Ltd. was established in August 2010 for the purpose of providing freight-forwarding services on international routes.

TransContainer Europe GmbH was established in August 2010 for the purpose of managing the Group’s investments in its Western-European subsidiaries.

The Group acquired 20% interest in Trans-Eurasia Logistics GmbH during 2010 in order to increase its access to traffic flow between Western Europe and Russia. The Group’s share in the profit / (loss) of Trans-Eurasia Logistics GmbH subsequent to the acquisition was immaterial.

The Group acquired 10% interest in Far East Land Bridge during 2010 in order to facilitate the expansion of its operations into European markets. The Group’s share in the profit / (loss) of Far East Land Bridge subsequent to the acquisition was immaterial.

The consolidated financial statements of OJSC “TransContainer”, its subsidiaries and its joint ventures (the “Group”) as of 31 December 2010 and for the year then ended were authorized for issue by the General Director of the Company on 28 April 2011.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Statement of compliance – These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Basis of preparation – These consolidated financial statements are prepared on the basis of standalone financial statements of the Company, its joint ventures and subsidiaries (together referred to as the “Group”). The entities of the Group maintain their accounting records in accordance with laws, accounting and reporting regulations of the jurisdictions in which they are incorporated and registered.

The consolidated financial statements have been prepared using the historical cost convention, except for the effects of assets acquired and liabilities assumed at the formation of the Company, which were recorded at the estimated fair value at the date of transfer.

The accompanying consolidated financial statements differ from the financial statements issued for statutory purposes in that they reflect certain adjustments, not recorded in the statutory books, which are appropriate to present the financial position, results of operations and cash flows of the Group in accordance with IFRS.

The consolidated financial statements are presented in millions of Russian Roubles (hereinafter “RUR million”), except where specifically noted otherwise.

Going concern – These consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future, which implies the realization of assets and settlement of liabilities in the normal course of business.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below.

The accounting policies have been applied consistently by all consolidated operating entities.

Consolidation – The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared through 31 December each year. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceased.

Intragroup balances and any unrealized gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Interests in joint ventures – A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control i.e. the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

The Company’s interests in jointly controlled entities is recognized using proportional consolidation whereby the Company’s share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis. Where the Group transacts with its jointly controlled entities, unrealized profits and losses are eliminated to the extent of the Group’s interest in the joint venture.

The Group discontinues the use of proportionate consolidation from the date on which it ceases to have joint control over a jointly controlled entity.

Foreign currency translation – Functional currency is the currency of the primary economic environment in which the entity operates. Russian Rouble is the functional currency of the Company and is also the currency in which these consolidated financial statements are presented. Transactions in currencies other than the functional currency are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies at the balance sheet date are translated into the functional currency at the year-end exchange rate. Exchange differences arising from such translation are included in the consolidated profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Russian Rouble at foreign exchange rates ruling at the dates the fair value was determined.

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

When the functional currency of an entity of the Group is not the presentation currency of the Company, the results and financial position of the entity are translated into the presentation currency using the following procedures:

- all assets and liabilities are translated at the closing rate at the date of each presented statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates for the period if fluctuation of exchange rates during the period was insignificant. Otherwise exchange rates at the dates of the transactions are used for translation to the presentation currency;
- capital and reserves are translated at historical rates;
- all resulting exchange differences are recognized as other comprehensive income;
- in the statement of cash flows cash balances at the beginning and at the end of each presented period are translated at exchange rates effective at the corresponding dates. All cash flows are translated at average exchange rates for the presented periods. All resulting exchange differences are recognized in consolidated profit or loss.

Property, plant and equipment – Property, plant and equipment are recorded at purchase or construction cost, less accumulated depreciation and accumulated impairment in value. The costs of day to day servicing of property, plant and equipment, including repairs and maintenance expenditure, is expensed as incurred.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Construction in progress

Construction in progress includes, principally, capital expenditure incurred in relation to the construction of new container terminals and the reconstruction of existing terminals. Construction in progress is carried at cost, less any recognized impairment loss. Cost includes capital expenditures directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads including capitalised borrowing costs on qualifying assets. Depreciation of these assets, on the same basis as for other property assets, commences when the assets are ready for their intended use.

Subsequent costs

The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. The assets being replaced are written off immediately. All other costs are recognized in the consolidated profit or loss as an expense as incurred.

Depreciation

Depreciation is charged to the consolidated profit or loss so as to write off the cost of assets (other than land and construction in progress) less their estimated residual values over their useful lives, using the straight-line method over the estimated useful lives of each part of an item of property, plant and equipment. Owned land plots are not depreciated.

The estimated useful economic lives for property, plant and equipment are as follows:

	Number of years
Buildings	20-80
Constructions	10-45
Containers	10-15
Flatcars	28-32
Cranes and loaders	5-15
Vehicles	3-10
Other equipment	2-25

Leased assets

Capitalized leased assets and operating leasehold improvements are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Gain or loss on disposal

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated profit or loss.

Intangible assets – Intangible assets that are acquired by the Group represent mainly purchased software and licenses and are stated at cost less accumulated amortization and impairment losses.

Amortization is charged to the consolidated profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortized from the date they are available for use. The estimated useful lives for existing assets range from 3 to 5 years.

Useful lives and amortization methods for intangible assets are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for as changes in accounting estimates.

Impairment of non-current assets – At each balance sheet date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in-use. In assessing value in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated profit or loss.

Financial assets – Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. As at the reporting date the Group had financial assets classified as loans and receivables only.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Interest income is recognized by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets – Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account (provision for impairment of receivables).

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Effective interest method – The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount of initial recognition.

Inventories – Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Cash and cash equivalents – Cash and cash equivalents comprise cash on hand, balances with banks and short-term interest-bearing deposits with original maturities of not more than three months.

Employee benefits – Remuneration to employees in respect of services rendered during the reporting period is recognized as an expense in that reporting period.

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

Defined benefit plans

The Group operates two partially funded defined benefit pension plans. The obligation and cost of benefits under the plans are determined separately for each plan using the projected unit credit method. This method considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost of providing pensions is charged to the consolidated profit or loss, so as to attribute the total pension cost over the service lives of employees in accordance with the benefit formula of the plan. This obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest on government bonds where the currency and terms of these bonds are consistent with the currency and estimated terms of the defined benefit obligation. Actuarial gains and losses are recognized as income or expense in full as they arise.

In addition, the Group provides certain other retirement and post retirement benefits to its employees. These benefits are not funded.

Upon introduction of a new plan or improvement of an existing plan past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. To the extent that the benefits are already vested, past service cost is immediately expensed.

Defined contribution plans

In addition to the defined benefit plans described above, the Group also sponsors a defined contribution plan for certain of its employees. The Group's contributions relating to the defined contribution plan are charged to the consolidated profit or loss in the year to which they relate.

State Plan

In addition, the Group is legally obligated to make contributions to the Pension Fund of the Russian Federation (a multi-employer defined contribution plan). The Group's only obligation is to pay

the contributions as they fall due. As such, the Group has no legal obligation to pay and does not guarantee any future benefits to its Russian employees. The Group's contributions to the Pension Fund of the Russian Federation, designated as a defined contribution plan, are charged to the consolidated profit or loss in the year to which they relate. Contributions for each employee to the Russian Federation State Pension Fund vary from 0% to 20%, depending on the annual gross remuneration of each employee.

Value added tax – Output value added tax ("VAT") related to revenues is payable to tax authorities upon delivery of the goods or services to customers, as well as upon collection of prepayments from customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a

net basis (except for input VAT related to export services provided related input VAT which is reclaimable upon confirmation of export). VAT related to sales and purchases is recognized in the consolidated statement of financial position on a gross basis and disclosed separately as an asset and liability. Where provision has been made for impairment of receivables, impairment loss is recorded for the gross amount of the debtor, including VAT.

Accounts payable and other financial liabilities – Accounts payable and other financial liabilities are initially recognized at cost, which is the fair value of the consideration received, taking into account transaction costs. After initial recognition, financial liabilities are carried at amortized cost, using the effective interest method, with interest expense recognized on an effective yield basis.

As normally the expected term of accounts payable is short, the value is stated at the nominal amount without discounting, which corresponds with fair value.

Provisions – Provisions are recognized when, and only when, the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is significant, the amount of a provision is the present value of the cash flows required to settle the obligation.

Revenue recognition – Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of sales related taxes. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenues from sales of inventories are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rail-based container shipping services

Rail-based transportation services provided by the Group primarily include arranging the transportation of its own and third-party containers by rail by means of provision of flatcars and/or containers and leasing of flatcars and containers to third parties. Revenues from these services are recognized in the accounting period in which the services are rendered, net of charges for third-party services. Revenues from operating lease of rolling stock are recognized on a straight-line basis over the term of operating lease agreements.

Integrated logistics services

Integrated logistics services are service packages including basic container shipping, handling of container terminals, truck deliveries, freight forwarding and logistic services rendered to customers under through-rate contracts at a single “through-rate”. Integrated logistics services revenue is a combination of revenues relating to various services provided under through-rate contracts, which, when provided under separate contracts, are shown in corresponding separate revenues line items. Integrated logistics services revenue is recognized in the accounting period in which the services are rendered.

Terminal services and agency fees

Terminal services primarily include container handling, such as loading and unloading operations, container storage and other terminal operations. The Group acts on behalf of RZD in providing mandatory railroad services for all railway users at the Group’s terminals, designated as the “sites of common use” by the legislation. In this capacity the Group provides some of its terminal services as a legal intermediary (agent) between clients and RZD and collects a commission. Commission fees collected from RZD for intermediary activities and revenue from other terminal operations are recognized in the accounting period in which the services are provided.

Bonded warehousing services

Bonded warehousing services are services related to storage of customers’ containers in separate warehouses located at container terminals while pending customs clearance or payment of other applicable duties. Revenue from these services is recognized on the basis of the number of days during which the services are rendered.

Truck deliveries

Truck delivery services include transporting containers between the container terminals and client-designated sites using Group’s own truck fleet as well as third parties’ trucks. Revenue from truck deliveries is recognized in the accounting period in which the services are rendered.

Freight forwarding and logistics services

The Group provides freight forwarding and logistics services, such as:

- preparation and ensuring of correctness of shipping documentation required for the delivery process to be effected;
- customs clearance brokerage by providing clients with customs documentation and services for Russian customs clearance;
- cargo tracking services by providing clients with information about cargo location;
- route optimization and planning; and

- cargo security services, including provision of insurance, special labels for hazardous cargo, special terms for transportation of hazardous cargo, and ensuring proper documentation for the transported cargo.

Revenue from freight forwarding and logistics services is recognized in the accounting period in which the services are rendered.

Dividend and interest income

- Dividends from investments are recognized in the consolidated profit or loss when the shareholder’s right to receive payment has been established;
- Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Leases – The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases

Assets under finance leases are recognized as assets at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating leases

Payments made under operating leases are recognized in the consolidated profit or loss on a straight-line basis over the term of the lease. Lease incentives received are as a liability, and recognised as a reduction in expense on a straight-line basis. Contingent rentals under operating leases are recognized as an expense in the period in which they are incurred.

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

Sale and leaseback

A sale and leaseback transaction involves the sale of an asset and the leasing the same asset back. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortized over the lease term.

If a sale and leaseback transaction results in an operating lease and the transaction is established at fair value any profit or loss is recognized immediately. If the sale price is below fair value any profit or loss will be recognized immediately except that, if the loss is compensated for by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

Borrowing costs – For the periods beginning 1 January 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized and amortized over the useful life of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. For periods prior to 1 January 2009 all borrowing costs were expensed in the period in which they were incurred.

Income tax – Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the consolidated profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date. Provisions in respect of uncertain tax positions which relate to income tax are included in current income tax at an amount expected to be payable including penalties, if any.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply in the period when the liabilities are settled or the assets realized.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are not discounted.

Share capital and other reserves – Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. The difference between the fair value of consideration received and the par value of shares issued is recognized as other reserves. Similarly, any differences arising on transactions with shareholders which are treated as equity transactions are adjusted directly against other reserves.

Earnings per share – Earnings per share are calculated by dividing the income for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The Group does not have any potentially dilutive equity instruments.

Dividends – Dividends are recognized as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date by the shareholders at a general meeting. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the financial statements are authorized for issue.

Contractual commitments – Contractual commitments comprise legally binding trading or purchase agreements with stated amount, price and date or dates in the future. The Group discloses significant contractual commitments in the Notes to the consolidated financial statements.

Contingencies – Contingent liabilities are not recognized in the financial statements unless they arise as a result of a business combination. Contingences attributed to specific events are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

4. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

RSs and IFRIC interpretations adopted in the current year

In the current year, the Group adopted all new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretation Committee ("IFRIC") of the IASB that are mandatory for adoption in the annual periods beginning on or after 1 January 2010. The effect from their adoption has not resulted in any significant changes to measurement and presentation of disclosures in the financial statements of the Group.

IFRS and IFRIC interpretations not yet effective

At the date of authorization of these consolidated financial statements, the following standards and interpretations have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2011 or later periods and which the entity has not early adopted:

Standards and Interpretations	Effective for annual periods beginning on or after
IAS 12 "Income tax" (amended)	1 January 2012
IAS 24 "Related party disclosures"(revised)	1 January 2011
IAS 32 "Financial instruments: presentation" (amended)	1 February 2010
IFRS 7 "Financial instruments: disclosures" (amended)	1 July 2011
IFRS 9 "Financial instruments"	1 January 2013
IFRIC 14 "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" (amended)	1 January 2011
IFRIC 19 "Extinguishing financial liabilities with equity instruments"	1 July 2010

Also a number of standards and interpretations were amended with Annual Improvements to IFRS issued in May 2010. These amendments consist of a mixture of substantive changes, clarifications, and changes in terminology in different standards. These amendments are mandatory for adoption in the annual periods beginning on or after 1 January 2011.

The impact of adoption of these standards and interpretations in the preparation of the consolidated financial statements in future periods is currently being assessed by management. The new and revised standards which are likely to have an effect on measurement, presentation of disclosure in the financial statements of the Group are described in more detail below:

- IAS 24 "Related party disclosures" (revised) – simplifies the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities.

- IFRS 9 "Financial instruments" – incorporates new requirements on accounting for financial liabilities and includes the existing IAS 39 requirements for derecognition of financial assets and financial liabilities.

- IFRIC 19 "Extinguishing financial liabilities with equity instruments" – clarifies the accounting when an entity settles its debt by issuing its own equity instruments. A gain or loss is recognized in profit or loss based on the fair value of the equity instruments compared to the carrying amount of the debt.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for impairment of receivables – Management maintains a provision for impairment of short-term receivables in the form of an allowance account equal to estimated losses resulting from the inability of customers and other debtors to make required payments. When evaluating the adequacy of this allowance account, management bases its estimates on the ageing of accounts receivable balances and historical write-off experience, customer creditworthiness and changes in customer payment terms. If the financial condition of customers were to deteriorate, actual write-offs might be higher than expected. As of 31 December 2010 and 2009, the provision for impairment of receivables was recognized in the amount of RUR 84 million and RUR 62 million, respectively (Note 9).

Depreciable lives of property, plant and equipment – The Group assesses the remaining useful lives of items of property, plant and equipment at least at each financial year-end. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 “Accounting policies, changes in accounting estimates and errors”. These estimates may have a material impact on the amount of the carrying values of property, plant and equipment and on depreciation expense for the period.

Impairment of property, plant and equipment – The Group reviews at each reporting date the carrying amounts of its property, plant and equipment to determine whether there is any indication that assets are impaired. This process involves judgment in evaluating the cause for any possible reduction in value, including a number of factors such as changes in current competitive conditions, expectations of growth in the industry, increased cost of capital, changes in the future availability of financing, technological obsolescence, discontinuance of service, current replacement costs and other changes in circumstances that indicate impairment exists.

Whenever such indications exist management makes an estimate of the asset’s recoverable amount to ensure that it is not less than its carrying value. If the asset’s fair value is not readily determinable or is less than asset’s carrying value plus costs to sell, management necessarily applies its judgment in determining the appropriate cash generating unit to be evaluated, estimating the appropriate discount rate and the timing and value of the relevant cash flows for the value in-use calculation.

Compliance with tax legislation – Compliance with tax legislation, particularly in the Russian Federation, is subject to significant degree of interpretation and can be routinely challenged by the tax authorities. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Management believes that it has accrued all applicable taxes. Where uncertainty exists, the Group has accrued tax liabilities as management’s best estimate of the probable outflow of resources which will be required to settle such liabilities. Management believes that it has adequately provided for tax liabilities based on its interpretations of tax legislation (see Note 19). However, there exists a possibility that relevant tax authorities may have differing interpretations than those of the management, and the effect of such differences could be significant.

Pension obligations – The Group uses an actuarial valuation method for measurement of the present value of post-employment benefit obligations and related current service cost. This method involves the use of demographic assumptions about the future characteristics of the current and former employees who are eligible for benefits (mortality, both during and after employment, rates of employee turnover, disability and early retirement, etc.), as well as financial assumptions (discount rate, future salary and benefits levels, expected rate of return on plan assets, etc.). In the event that further changes in the key assumptions are required, the future amounts of the pension benefit costs may be materially affected (Note 16).

6. CRITICAL ACCOUNTING JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Accounting for leases – A lease is classified as finance lease if it transfers substantially all the risks and rewards incidental to ownership. Otherwise it is classified as operating lease. Whether a lease is a finance lease or an operating lease depends on the substance of the

transaction rather than the form of the contract. In determining the accounting treatment of transactions that involve the legal form of a lease, all aspects and implications of an arrangements are evaluated to determine the substance of such transactions with weight given to those aspects and implications that have an economic effect. If the lease term is for longer than 75% of the economic life of the asset, or at the inception of the lease the present value of the minimum lease payments amounts to at least 90% of the fair value of the leased asset, the lease is classified by the Group as a finance lease, unless it is clearly demonstrated otherwise.

7. PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and constructions	Containers and flatcars	Cranes and loaders	Vehicles and other equipment	Construction in-progress	Total
Cost						
1 January 2009	4,098	18,823	1,184	1,593	854	26,552
Additions	8	2,657	–	142	523	3,330
Transfers	167	–	–	41	(208)	–
Disposals	(46)	(241)	(11)	(14)	(2)	(314)
31 December 2009	4,227	21,239	1,173	1,762	1,167	29,568
Additions	229	3,586	68	242	742	4,867
Transfers	447	28	60	7	(542)	–
Disposals	(7)	(428)	(11)	(87)	(35)	(568)
31 December 2010	4,896	24,425	1,290	1,924	1,332	33,867
Accumulated depreciation						
1 January 2009	(753)	(2,982)	(358)	(400)	–	(4,493)
Depreciation charge	(202)	(1,517)	(159)	(331)	–	(2,209)
Impairment	(7)	–	(9)	–	–	(16)
Disposals	18	208	9	12	–	247
31 December 2009	(944)	(4,291)	(517)	(719)	–	(6,471)
Depreciation charge	(210)	(1,529)	(150)	(312)	–	(2,201)
Reversal of impairment / (impairment)	4	–	(13)	1	(3)	(11)
Disposals	4	373	7	76	–	460
31 December 2010	(1,146)	(5,447)	(673)	(954)	(3)	(8,223)
Net book value						
31 December 2009	3,283	16,948	656	1,043	1,167	23,097
31 December 2010	3,750	18,978	617	970	1,329	25,644

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

Included in land, buildings and constructions is the amount of RUR 231 million and RUR 110 million, which represents the value of land plots owned by the Group as of 31 December 2010 and 31 December 2009 respectively.

During the year ended 31 December 2010 the Group acquired part of the property from LLC “Zapadny Port”, a related party, including land in the amount of RUR 121 million and movable and immovable property in the amount of RUR 80 million.

Vehicles and other equipment includes motor transport used for terminal services and truck deliveries in the amount of RUR 859 million and RUR 844 million as of 31 December 2010 and 31 December 2009, respectively.

Construction in-progress as of 31 December 2010 consisted mainly of the following:

- capital expenditure incurred in relation to the construction of new container terminals in Novosibirsk, Nizhniy Novgorod and Moscow Region amounting to RUR 321 million, RUR 93 million and RUR 69 million, respectively;
- reconstruction of container terminals in Yekaterinburg and Saratov in the amount of RUR 108 million and RUR 24 million, respectively;
- reconstruction of repair depot in Lipetsk region in the amount of RUR 24 million; and
- capital expenditure related to construction of the Company’s new offices of RUR 312 million.

Leased assets as of 31 December 2010 and 2009 where the Group is a lessee under finance leases, comprised the following:

	2010	2009
Cost	1,994	2,753
Accumulated depreciation	(232)	(145)
Net book value	1,762	2,608

Refer to Note 15 for further details regarding finance leases.

Advances for acquisition of non-current assets

As of 31 December 2010 and 2009 advances for acquisition of non-current assets consisted of amounts paid for the acquisition of an office building in Moscow (RUR 1,642 million), the acquisition of rolling stock (RUR 247 million and RUR 574 million, respectively) and the acquisition of other non-current assets (RUR 115 million and RUR 92 million, respectively).

8. LONG-TERM INVESTMENTS

	Effective interest rate	2010	2009
Promissory notes	0%	–	197
Other long-term investments		8	4
Total long-term investments		8	201

During the year ended 31 December 2010 the Group used the promissory notes of LLC “Finans-Proekt” in the amount of RUR 165 million as part of the settlement for the acquisition of property from LLC “Zapadny Port” (see also Note 7). The remaining notes in the amount of RUR 32 million were settled in cash.

9. TRADE AND OTHER RECEIVABLES

	Outstanding balance, gross	Provision for impairment	Outstanding balance, net
31 December 2010			
Trade receivables	1,382	(84)	1,298
Other receivables	33	–	33
Total	1,415	(84)	1,331
31 December 2009			
Trade receivables	1,114	(56)	1,058
Other receivables	889	(6)	883
Total	2,003	(62)	1,941

As at 31 December 2009 other receivables include RUR 477 million receivable from CJSC “Gorodskaya Innovacionno-Lizingovaya Kompaniya” under a sale and leaseback agreement (Note 15) and RUR 248 million receivable from LLC “Novorossiysky Mazutny Terminal” for a sale of a plot of land. These amounts were received in cash during 2010.

The average credit period on the Group's sales (other than for sales carried out on a prepayment basis) is 35 days.

Included in the Group's total trade and other receivables are debtors with a carrying amount of RUR 410 million and RUR 346 million as of 31 December 2010 and 2009, respectively, which are past due at the respective reporting date and which the Group considers to be recoverable (i.e. not impaired). The Group does not hold any collateral over these outstanding balances.

The ageing of past due but not impaired trade and other receivables is as follows:

	2010	2009
35-90 days	74	26
90-180 days	92	151
more than 180 days	244	169
Total past due but not impaired	410	346

The movement in the provision for impairment in respect of trade and other receivables is as follows:

	2010	2009
Balance at beginning of the year	(62)	(87)
Additional provision, recognized in the current year	(42)	(36)
Release of provision	9	61
Utilization of provision	11	–
Balance at end of the year	(84)	(62)

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

10. PREPAYMENTS AND OTHER CURRENT ASSETS

	2010	2009
VAT receivable	854	681
Advances to suppliers	1,855	1,450
Other current assets	160	132
Total prepayments and other current assets	2,869	2,263

11. SHORT-TERM INVESTMENTS

	2010	2009
Promissory notes	–	55
Loans	–	88
Total short-term investments	–	143

Loans as of 31 December 2009 represent an interest free six-month EURO-denominated loan was issued to Far East Land Bridge Ltd. During 2010 the loan was exchanged for 10% ownership in the entity and therefore entire amount of the loan was transferred to investment in associates.

The promissory notes in the amount of RUR 55 million were redeemed in cash during 2010.

12. CASH AND CASH EQUIVALENTS

	2010	2009
Russian Rouble denominated cash in hand and balances with banks	533	387
Foreign currency denominated balances with banks	154	62
Russian Rouble denominated bank deposits	600	–
Foreign currency denominated bank deposits	4	–
Total cash and cash equivalents	1,291	449

The terms of Russian Rouble denominated short-term bank deposits vary from nine days to three months depending on the immediate cash requirements of the Company. Two Russian Rouble denominated short-term bank deposits in the amount of RUR 300 million each, bearing interest at annual rates of 2.5% and 2.25%, were placed with JSC TransCreditBank, a related party, as of 31 December 2010 (Note 25). The deposits matured on 11 January 2011.

13. EQUITY

Share Capital

Authorized and issued capital as of 31 December 2010 and 2009 comprises:

	Number of outstanding ordinary shares	Value
Ordinary shares (par value: RUR 1,000)	13,894,778	13,895

On 12 November 2010 in the course of an initial public offering the Company's shares were listed on the Moscow Interbank Currency Exchange (MICEX) and the Russian Trading System stock exchange (RTS), and the Company's global depository receipts were listed on the London Stock Exchange. A total of 5,002,118 ordinary shares were offered by the existing shareholders in the course of the initial public offering. No additional shares were issued by the Company. RZD continues to be the controlling shareholder of the Company, holding 50%+2 of its ordinary shares.

Other Reserves

As discussed in Note 1, the Company was formed as a result of a spin-off by RZD which involved the contribution by RZD of containers, flatcars, buildings and constructions, VAT receivable related to these assets, and cash, in exchange for ordinary shares in the Company.

The difference between the fair value of net assets contributed and the nominal value of the shares issued by the Company of RUR 2,255 million was recorded as other reserves.

In addition, any differences arising on transactions with shareholders which are treated as equity transactions are adjusted directly against other reserves.

Retained Earnings, Dividends

In accordance with the Russian legislation, dividends may only be declared from the Company's accumulated undistributed and unreserved earnings as shown in the Company's statutory financial statements, which are prepared in accordance with the Regulations on Accounting and Reporting of the Russian Federation. The Company had RUR 4,848 million and RUR 4,461 million of undistributed and unreserved earnings as of 31 December 2010 and 2009, respectively.

Dividends of RUR 0.16 per share (RUR 2 million) were approved at the annual shareholders' meeting on 23 June 2010 relating to the Group's results for the year ended 31 December 2009. As of 31 December 2010, the dividends have been fully paid.

Dividends of RUR 19.29 per share (RUR 268 million) were approved at the annual shareholders' meeting on 23 June 2009, relating to the Group's results for the year ended 31 December 2008. As of 31 December 2009, the dividends have been fully paid.

Reserve Fund

According to its charter, the Company is required to establish a legal reserve fund through the allocation of 5 percent of net profit as computed under the Russian accounting regulations. The total amount of the reserve fund is limited to 5 percent of the nominal registered amount of the Company's issued share capital. The reserve fund may only be used to offset losses of the Company as well as to redeem issued bonds or purchase treasury shares and cannot be distributed

to shareholders. As of 31 December 2010 and 2009 the Company's reserve fund is RUR 284 million and RUR 283 million, respectively.

14. LONG-TERM DEBT

Bank loans – During 2009, RUR-denominated five-year loans from Alfa Bank were obtained by the Group to finance the acquisition of flatcars. The effective interest rate for the loans was 12.0%-12.5%, with interest payable on the 25th of each month. As at 31 December 2009 the outstanding amount of loans was RUR 1,520 million. During 2010 the loans were fully repaid.

RUR bonds, series 1 – On 4 March 2008 the Company issued non-convertible five-year bonds for the total amount of RUR 3,000 million with 1,000 Roubles par value maturing in March 2013. These five-year bonds contained two put options which may be exercised by the holders of the bonds in March 2009 and March 2010 for payment of the amortized cost of the bonds. On the same date the bondholders are able to exercise the put options; the Company may reset the coupon rates on such bonds. On 13 March 2009, pursuant to the terms of a put option, majority of bondholders requested redemption of their bonds. The Group redeemed the bonds, re-issuing them on a public market on the same day with a new interest rate of 16.5% per annum, with interest being paid semi-annually. On 12 March 2010, the Company changed the coupon rate was changed to 9.5% for all remaining bonds.

As the bondholder put options have now expired, as of 31 December 2010 the Group has classified the remaining issued bonds as long-term borrowings. The carrying value of the bonds as at 31 December 2010 amounted to RUR 3,095 million (RUR 3,153 million at 31 December 2009).

The amount of accrued interest is RUR 95 million (RUR 164 million at 31 December 2009), and has been included as the current portion of long-term debt in the consolidated statement of financial position.

RUR bonds, series 2 – On 10 June 2010 the Company issued non-convertible five-year bonds for the total amount of RUR 3,000 million with 1,000 Roubles par value. Net proceeds from the issuance after the deduction of related offering costs amounted to RUR 2,975 million. The annual coupon rate of the bonds for five years is 8.8% with interest paid semi-annually.

The bonds, series 2 will be redeemed in four equal semi-annual installments within the fourth and the fifth year. As a result, these borrowings are classified as long-term borrowings as at the reporting date.

The carrying value of the bonds as at 31 December 2010 amounts to RUR 2,994 million. The amount of accrued interest is RUR 18 million, and has been included as the current portion of long-term debt in the consolidated statement of financial position.

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

15. FINANCE LEASE OBLIGATIONS

	Minimum lease payments		Present value of minimum lease payments	
	2010	2009	2010	2009
Due within one year	610	909	545	793
Due after one year but not more than five years	530	1,682	392	1,115
	1,140	2,591	937	1,908
Less future finance charges	(203)	(683)	–	–
Present value of minimum lease payments	937	1,908	937	1,908

During the year ended 31 December 2010 the Group purchased assets leased under two finance lease agreements with LLC Goldline and LLC Alfa Leasing, which were entered into during 2009. The excess of consideration paid over the outstanding finance lease liability as at the date of purchase amounted to RUR 31 million and has been recognized in the consolidated profit or loss.

During the year ended 31 December 2010 the amount of minimum lease payments under the lease agreement with CJSC “Sberbank Leasing” (a related party – Note 26) was revised. The change in minimum lease payments did not result in an extinguishment of lease liability, and, accordingly, the effect of the change is being recognized through an adjustment of the effective interest rate for the remaining term of the lease agreement.

On 31 December 2009 the Group has entered into a sale and leaseback agreement with CJSC “Gorodskaya Innovacionno-Lizingovaya Kompaniya” for the sale and financial leaseback of

trucks owned by the Group with a net book value of RUR 296 million. The sale and leaseback transaction resulted in a finance lease for the Group (with the assets being recognized at their previous carrying amount), and consequently, the excess of the sales proceeds over the carrying amount of RUR 109 million was recognized as deferred income in the consolidated statement of financial position, and is being amortized over the lease term. The amortization of this balance during the year ended 31 December 2010 was RUR 60 million and is included in interest expense on finance lease obligations in the consolidated statement of comprehensive income. The lease agreement is for a period of three years with the effective interest rate of 28.3% (including the effect of offsetting the deferred income over the lease term).

All leases are on a fixed repayment basis and denominated in Russian Roubles. The Group’s obligations under finance leases are secured by the lessors’ title to the leased assets.

16. EMPLOYEE BENEFIT LIABILITY

The employees of the Company are members of a state-managed pension plan operated by the government of the Russian Federation. The Group is required to contribute a specified percentage of payroll costs as part of the contributions to the Pension Fund of the Russian Federation to fund the benefits.

The Company also provides supplementary defined benefit and defined contribution retirement benefit plans covering substantially all of its employees, requiring contributions to be made to a separately administered non-state pension fund “Blagosostoyanie” (“Fund Blagosostoyanie”). Not-for-profit fund “Pochet” (“Fund Pochet”) provides pensions to the Company’s employees that retired before the defined benefit plans provided through the Fund Blagosostoyanie were introduced.

Benefits accrued through Fund Blagosostoyanie are partially funded, whilst benefits administered by the Fund Pochet are not funded. In addition, the Company provides other retirement and post employment benefits to its employees, covering compensation for transportation costs on long-distance trains, a one-time bonus on retirement ranging from one to six monthly salaries and depending of the duration of the service period and certain other requirements. These benefits are not funded.

Defined contribution plans

The total amount recognized as an expense in respect of payments to defined contribution plans for the years ended 31 December 2010 and 2009 consisted of the following:

	2010	2009
Pension Fund of the Russian Federation	335	291
Defined contribution plan "Blagosostoyanie"	9	4
Total expense for defined contribution plans	344	295

Defined benefit plans

There were 5,356 employees eligible for some part of the supplementary post-employment and post-retirement benefit program of the Group as of 31 December 2010 (2009: 5,481), of which 1,123 employees (2009: 1,115) were considered active participants. An active participant is a person making contributions to the pension plan at his/her own expense. Such contributions are matched by the Group. In addition, there were 91 and 106 retired employees eligible for the post-retirement benefit program of the Company through Fund Pochet as of 31 December 2010 and 2009, respectively.

The most recent actuarial valuation of the defined benefit obligation was carried out as of 31 December 2010 by an independent actuary. The present value of the defined benefit obligations, and related current service costs and past service cost, were measured using the projected unit credit method.

The amounts recognized in the consolidated profit or loss for the year ended 31 December 2010 and 2009 in respect of these defined benefit plans, which are included in Payroll and related charges, are as follows:

	2010	2009
Current service cost	28	32
Interest on obligation	47	55
Expected return on plan assets	(3)	(2)
Actuarial losses / (gains) recognized in the year	151	(58)
Amortization of past service cost	16	16
Introduction of other employee benefits	–	50
Losses arising on transfer of employees ¹	6	12
Net expense recognized in the consolidated profit or loss	245	105

¹ The losses arising from transfer of employees represent the transfer of obligations on post-retirement benefits, which originated from the movement of employees from, as well as back to, the parent company.

The amounts recognized in the consolidated statement of financial position as of 31 December 2010 and 2009 in respect of these defined benefit plans are as follows:

	2010	2009
Present value of funded defined benefit obligation	385	296
Fair value of plan assets	(36)	(32)
	349	264
Present value of unfunded defined benefit obligation	335	249
Deficit	684	513
Unrecognized past service cost	(7)	(23)
Net employee benefit liability	677	490

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

Movements in the present value of net defined benefit obligation are as follows:

	2010	2009
Net defined benefit obligation as at 1 January	490	463
Net expense recognized in profit or loss	245	105
Benefits paid	(58)	(78)
Net defined benefit obligation as at 31 December	677	490

Movements in the fair value of defined benefit pension plan assets are as follows:

	2010	2009
Fair value of plan assets as at 1 January	32	26
Expected return on plan assets	3	2
Actuarial (loss) / gains	(2)	1
Contributions from the employer	58	78
Benefits paid	(55)	(75)
Fair value of plan assets as at 31 December	36	32

The major categories of plan assets administered by Fund Blagosostoyanie as a percentage of the fair value of total plan assets as of the balance sheet date were as follows:

	Share in total plan assets	
	2010	2009
Corporate bonds and stock of Russian legal entities	43%	46%
Shares in closed investment funds	29%	26%
Bank deposits	19%	18%
Sovereign and regional government bonds	1%	2%
Other	8%	8%
	100%	100%

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2010	2009
Discount rate	8,0%	8,8%
Rate used for calculation of annuity value	4%	4%
Average remaining working life, years	17,9	18,5
Expected return on plan assets	9,0%	9,0%
Mortality tables	year 2009	year 2008

As at 31 December 2010 the Group assumed that salary growth rate will be equal to 11.4% and 10.8% in 2011 and 2012 respectively, and in future the salary will increase in line with the inflation rate, while the assumption used as at 31 December 2009 was that salaries would increase in line with the inflation rate. The change in the assumptions for salary growth as well as the decrease in the discount rate resulted in the recognition of an actuarial loss for the current period.

The overall expected rate of return on assets is a weighted average of the expected returns of the various categories of plan assets held. Assessment of the expected returns by management is based on historical return trends and analysts' predictions of the market for the asset in the next twelve months.

The actual return on plan assets was RUR 1 million and RUR 2 million for the years ended 31 December 2010 and 2009, respectively. The Group expects to make a contribution of RUR 90 million to the defined benefit plans during the next financial year.

17. TRADE AND OTHER PAYABLES

	2010	2009
Trade payables	483	585
Amounts payable for the acquisition of property, plant and equipment	495	342
Liabilities to customers	2,987	2,245
Total trade and other payables	3,965	3,172

18. TAXES OTHER THAN INCOME TAX PAYABLE

	2010	2009
VAT	561	16
Property tax	120	98
Social insurance contribution (2009: unified social tax)	39	41
Salary withholding tax (employees' personal income tax)	16	10
Other taxes	5	5
Total taxes other than income tax payable	741	170

19. PROVISIONS

As at 31 December 2010 the Group had recognized a provision for VAT and other tax liabilities in the amount of RUR 21 million and income tax liability in the amount of RUR 11 million, in respect of the claim of the tax authorities arising from a 2010 tax audit covering the years 2006 through 2008. An additional amount of RUR 2 million was recognized in respect of legal proceedings where the Company is a defendant.

20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2010	2009
Settlements with employees	194	133
Other liabilities	54	51
Total accrued expenses and other current liabilities	248	184

Settlements with employees as of 31 December 2010 and 2009 comprised accrued salaries and bonus of RUR 104 million and RUR 65 million, respectively, and the accrual for unused vacation of RUR 90 million and RUR 68 million, respectively.

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

21. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the General Director of the Company. The Group's business activities are interdependent in providing customers with rail-based container shipping and other logistics services. As such, the Group's internal reporting reviewed by the General Director to assess performance and allocate resources are on a consolidated basis as one reportable segment. The Group's internal management reports are prepared on the same basis as these consolidated financial statements.

A description of each type of revenue is disclosed in the Group's revenue recognition accounting policy in Note 3.

Analysis of revenue by category

	2010	2009
Integrated logistics services	10,794	5,347
Rail-based container shipping services	6,980	6,573
Terminal services and agency fees	2,008	1,678
Truck deliveries	1,513	1,559
Freight forwarding and logistics services	1,192	880
Bonded warehousing services	273	265
Other	81	98
Total revenue	22,841	16,400

Analysis of revenue by location of customers

	2010	2009
Revenue from external customers		
Russia	20,875	15,321
Germany	700	528
China	444	135
Korea	278	73
Switzerland	191	–
Finland	100	133
Other	253	210
Total revenue	22,841	16,400

During the years ended 31 December 2010 and 2009 OJSC "Russian Railways" accounted for 10% or more of the Group's revenue: RUR 2,381 million (10%) and RUR 2,085 million (13%), respectively.

22. OPERATING EXPENSES, NET

	2010	2009
Third-party charges relating to integrated logistics services	6,339	3,138
Freight and transportation services	4,534	3,832
Payroll and related charges	3,128	2,437
Depreciation and amortization	2,237	2,250
Materials, repair and maintenance	1,887	1,182
Taxes other than income tax	559	426
Rent	479	476
Consulting services	234	265
Security	218	210
License and software	131	43
Fuel costs	128	117
Communication costs	101	84
Charity	60	85
Change in provision for impairment of receivables	33	(25)
Changes in provision for tax liabilities, other than income tax	21	(30)
Gain on disposal of property, plant and equipment	(147)	(257)
Other expenses, net	806	493
Total operating expenses, net	20,748	14,726

23. INTEREST EXPENSE

	2010	2009
Interest expense on RUR bonds	482	506
Interest expense on finance lease obligations	274	326
Interest expense on bank loans	92	113
Total interest expense	848	945

24. INCOME TAX

	2010	2009
Current income tax charge	(496)	(282)
Deferred income tax benefit	82	103
Income tax	(414)	(179)

The statutory tax rate effective in the Russian Federation was 20% for the years ended 31 December 2010 and 2009.

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

Profit before income tax for financial reporting purposes is reconciled to income tax expense for as follows:

	2010	2009
Profit before income tax	1,342	768
Theoretical tax charge at statutory rate of 20%	(268)	(154)
Tax effect of items which are not deductible or assessable for taxation purposes:		
Benefits in-kind and other non-deductible payments to employees	(33)	(34)
Non-deductible post-employment benefits	(21)	(9)
Non-deductible charitable donations	(12)	(17)
Income tax adjustments for prior periods	–	62
Other non-deductible expenses	(65)	(33)
Changes in provision for tax risks – taxes other than income tax	(4)	6
Changes in provision for tax risks – income tax	(11)	–
Income tax	(414)	(179)

Total accumulated temporary differences that arise between the Russian statutory tax base of assets and liabilities and their carrying amounts in the accompanying consolidated statements of financial position give rise to the following deferred tax effects:

	1 January 2009	Charged to profit or loss	31 December 2009
Property, plant and equipment	1,944	73	2,017
Intangible assets	2	(1)	1
Trade and other receivables	1	(13)	(12)
Loans and borrowings	1	1	2
Finance lease obligations	(238)	(149)	(387)
Trade and other payables	(41)	11	(30)
Employee benefits liability	(49)	–	(49)
Deferred income	–	(22)	(22)
Other	(1)	(3)	(4)
Total net deferred tax liability	1,619	(103)	1,516

	1 January 2009	Charged to profit or loss	31 December 2009
Property, plant and equipment	2,017	(184)	1,833
Intangible assets	1	16	17
Trade and other receivables	(12)	(10)	(22)
Loans and borrowings	2	2	4
Finance lease obligations	(387)	200	(187)
Trade and other payables	(30)	(56)	(86)
Employee benefits liability	(49)	(20)	(69)
Deferred income	(22)	12	(10)
Other	(4)	(38)	(42)
Total net deferred tax liability	1,516	(78)	1,438
Total net deferred tax asset	–	(4)	(4)

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In accordance with IAS 24 “Related party disclosures”, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The nature of the related party relationships for those related parties, with whom the Group entered into significant transactions or had significant balances outstanding as of 31 December 2010 are disclosed below:

Related party	Nature of relationship
OJSC “Russian Railways” (RZD)	Parent company
OJSC “TransCreditBank”	Fellow subsidiary of RZD
LLC “FinanceBusinessGroup”	An entity related to OJSC “TransCreditBank”
LLC “Finans-Proekt” (Note 8)	An entity related to OJSC “TransCreditBank”
LLC “Zapadny Port” (Note 7)	Subsidiary of LLC “Finans-Proekt”
CJSC “Sberbank Leasing” (Note 15)	Subsidiary of Sberbank
LLC “Roszheldorstroy”	Fellow subsidiary of RZD
Fund Blagosostoyanie	Post-employment benefit plan for the benefit of employees of the Company
Fund Pochet	Post-employment benefit plan for the benefit of employees of the Company

The ultimate controlling party of the Group is the government of the Russian Federation and therefore all companies controlled by the government of the Russian Federation are also treated as related parties of the Group for the purpose of these consolidated financial statements.

As a part of its normal operations, the Group enters into various transactions and has outstanding balances with state-controlled entities and governmental bodies, which are shown as “other” in the tables below. The majority of related party transactions are with OJSC “Russian Railways” (RZD) and its subsidiaries, and OJSC “TransCreditBank”, which are also state-controlled.

Relationships RZD and its subsidiaries

The Group performs a variety of transactions with RZD, which is the sole owner and provider of railroad infrastructure and locomotive services in Russia. Furthermore, RZD owns the vast majority of rail-cars repair facilities in Russia, which are used by the Group to maintain its rolling stock in the operational condition.

Under the provisions of the existing Russian regulations, certain functions associated with the arrangement of container transportation process can only be performed by RZD. Pursuant to the transfer of the assets required for performance of such functions to the Group, RZD engaged the Company to act as its agent in performance of these functions. Revenue generated by the Group from such transactions with RZD is reported as agency fees in the accompanying consolidated statement of comprehensive income.

The Group maintains several bank accounts in OJSC “TransCreditBank”.

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

Transactions and balances with related parties as at and for the year ended 31 December 2010:

	Total	RZD and its subsidiaries	Other
Cash and cash equivalents	1,262	1,261	1
Trade and other accounts receivables			
Trade receivables	527	306	221
Other receivables	40	1	39
	567	307	260
Prepayments and other current assets			
Advances to suppliers	1,651	1,648	3
Prepaid income tax	115	–	115
VAT receivable	854	–	854
	2,620	1,648	972
Long-term investments	101	–	101
Total assets	4,550	3,216	1,334
Trade and other accounts payable			
Trade payables	46	32	14
Liabilities to customers	56	30	26
	102	62	40
Accrued and other liabilities			
Other payables	33	5	28
Income tax payable	76	–	76
Taxes other than income tax payable	741	–	741
Finance lease obligations	756	208	548
Total liabilities	1,708	275	1,433
Revenue			
Rail-based container shipping services	719	696	23
Agency fees	1,612	1,607	5
Other services	174	78	96
	2,505	2,381	124
Interest income on deposits	9	9	–
Total income	2,514	2,390	124
Operating Expenses			
Freight and transportation services	3,336	3,155	181
Third-party charges relating to integrated logistics services	4,972	4,513	459
Repair services	956	952	4
Taxes other than income tax	558	–	558
Rent of property and equipment	144	143	1
Other expenses	344	271	73
	10,310	9,034	1,276
Income tax	414	–	414
Interest expense on finance lease obligations	139	36	103
Total expenses	10,863	9,070	1,793
Acquisition of property, plant and equipment	475	472	3
Purchase of materials	9	–	9
Contributions to non-state pension funds	41	–	41
Total other transactions	525	472	53

Transactions and balances with related parties as at and for the year ended 31 December 2009:

	Total	RZD and its subsidiaries	Other
Revenue			
Rail-based container shipping services	724	703	21
Agency fees	1,367	1,362	5
Other services	102	49	53
	2,193	2,114	79
Interest income on short-term investments	5	–	5
Interest income on deposits	30	29	1
Total income	2,228	2,143	85
Operating Expenses			
Freight and transportation services	2,882	2,871	11
Third-party charges relating to integrated logistics services	2,339	2,209	130
Repair services	730	725	5
Taxes other than income tax	426	–	426
Rent of property and equipment	165	80	85
Other expenses	287	212	75
	6,829	6,097	732
Income tax	179	–	179
Interest expense on loans	54	–	54
Interest expense on finance lease obligations	177	–	177
Total expenses	7,239	6,097	1,142
Acquisition of property, plant and equipment	161	148	13
Purchase of materials	2	2	–
Contributions to non-state pension funds	61	61	–
Total other transactions	224	211	13
Cash and cash equivalents	429	429	–
Trade and other accounts receivables			
Trade receivables	321	320	1
Other receivables	7	1	6
	328	321	7
Prepayments and other current assets			
Advances to suppliers	1,128	1,123	5
Prepaid income tax	98	–	98
VAT receivable	681	–	681
	1,907	1,123	784
Short-term investments	55	–	55
Long-term investments	197	–	197
Total assets	2,916	1,873	1,043
Trade and other accounts payable			
Trade payables	106	77	29
Liabilities to customers	39	12	27
	145	89	56
Accrued and other liabilities			
Other payables	132	118	14
Income tax payable	76	–	76
Taxes other than income tax payable	170	–	170
Finance lease obligations	973	–	973
Total liabilities	1,496	207	1,289

The amounts outstanding to and from related parties are unsecured except as disclosed for finance leases (Note 15).

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

Compensation of key management personnel

Key management personnel consist of members of the Board of Directors of the Company, the General Director and his deputies, totaling 19 persons as of 31 December 2010 and 2009, respectively. Total gross compensation (including insurance contribution and before withholding of personal income tax) to key management personnel included in payroll and related charges in the consolidated profit or loss amounted to RUR 94 million (including social insurance contribution of RUR 1 million) and RUR 54 million (including unified social tax of RUR 1 million) for the years ended 31 December 2010 and 2009, respectively. Such compensation comprises primarily short-term benefits. Post-employment and other long-term benefits of key management personnel were immaterial.

26. COMMITMENTS UNDER OPERATING LEASES

The Group leases certain cranes, production buildings and office premises. The lease agreements have durations varying from one to six years. Additionally the Group leases land on which its container terminals are located.

The Group continues to rent flatcars from OJSC “RusTransVagon” under operating lease agreements. During the year ended 31 December 2010 the Group acquired assets of LLC “Zapadny Port”, which it previously leased under operating lease agreements (Note 7). In addition, the Group discontinued the rent of an office building in Moscow.

Future minimum lease payments under contracted operating leases are as follows:

	2010	2009
Within one year	192	466
In two to five years	56	389
After five years	4	3
Total minimum lease payments	252	858

27. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS

The Group's capital commitments as of 31 December 2010 and 31 December 2009 consisted of the following:

	2010	2009
Construction of container terminal complexes and modernization of existing assets	786	1,027
Acquisition of containers and flatcars	789	701
Acquisition of lifting machines and other equipment	76	187
Total capital commitments	1,651	1,915

Operating environment of the Group – Emerging markets such as Russia are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in the Russian Federation and economy in general.

As a result, laws and regulations affecting businesses in Russia continue to change rapidly. Tax, currency and customs legislation within Russia is subject to varying interpretations, and other legal and fiscal impediments contribute to the challenges faced by entities currently operating in Russia. The future economic direction of Russia is largely dependent upon the effectiveness

of economic, fiscal and monetary measures undertaken by the government, together with legal, regulatory, and political developments.

Environmental matters – The enforcement of environmental regulation in the Russian Federation is continually evolving. The Group periodically evaluates its obligations under environmental regulations. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that the Group has met the government's federal and regional requirements concerning environmental matters. Therefore, there are no significant liabilities for environmental damage or remediation.

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Legal proceedings – During the year, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which management believes could have a material effect on the result of operations or financial position of the Group, beyond those already recognized in these financial statements.

Insurance – The Group holds no insurance policies in relation to its assets, operations, or in respect of public liability or other insurable risks, with the exception of insurance policies that partially cover its vehicles, flatcars and buildings, Directors and Officers liability insurance policy, and a carrier's liability insurance policy. Until the Group obtains ad-

equate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

28. RISK MANAGEMENT ACTIVITIES

Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the equity holder through the optimization of the debt and equity balance.

The capital structure of the Group consists of RUR bonds, finance lease obligations and equity, consisting of issued capital, reserves and retained earnings as disclosed in Note 13.

The management of the Group reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

Major Categories of Financial Instruments

The Group's financial assets include other long-term investments (Note 8), short-term investments, trade and other receivables, and cash and cash equivalents. All financial assets fall into the loans and receivables category under IAS 39 "Financial instruments: recognition and measurement".

	2010	2009
Financial liabilities		
Trade and other payables	978	927
Other liabilities	53	48
Payables to employees	194	133
RUR bonds	6,089	3,153
Long-term borrowings	–	1,520
Current portion of long-term borrowings	–	3
Finance lease obligations	937	1,908
Total financial liabilities	8,251	7,692

The Group's principal financial liabilities are trade and other payables, payables to employees (which form part of accrued expenses and other current liabilities), finance lease obligations, and debt (which includes RUR bonds and long-term borrowings). All financial liabilities are carried at amortized cost.

	2010	2009
Financial assets		
Cash and cash equivalents	1,291	449
Trade and other receivables	1,331	1,941
Short-term investments	–	143
Long-term investments	8	201
Total financial assets	2,630	2,734

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due. The Group's liquidity position is carefully monitored and managed by the treasury function. The Group has established budgeting and cash flow planning procedures to ensure it has adequate cash available to meet its payment obligations as they fall due. Management controls current liquidity based on expected cash flows and expected revenue receipts. In the long-term

perspective the liquidity risk is determined by forecasting future cash flows at the moment of signing new credit, loan or lease agreements and by budgeting procedures.

The Group has both interest bearing and non-interest bearing financial liabilities. The interest bearing liabilities consist of finance lease obligations and debt. The non-interest bearing liabilities include trade and other payables and amounts payable to employees.

The following tables detail the Group's remaining contractual maturity for financial liabilities. The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Effective interest rate, %	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
2010						
Non-interest bearing liabilities		542	399	284	–	1,225
RUR bonds, series 1,2	8,8%-9,5%	–	142	405	7,150	7,697
Finance lease liabilities	13,24%-28,3%	20	100	490	530	1,140
Total		562	641	1,179	7,680	10,062
2009						
Non-interest bearing liabilities		409	271	428	–	1,108
RUR bonds, series 1	18,45%	–	3,247	–	–	3,247
Loans and borrowings	12%-12,5%	3	–	–	1,520	1,523
Finance lease liabilities	14,97%-28,3%	128	146	635	1,682	2,591
Total		540	3,664	1,063	3,202	8,469

The following tables detail the Group's expected maturity for its financial assets, with the exception of cash. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

	Effective interest rate, %	Less than 1 month	1-3 months	3 months- 1 year	1-5 years	Total
2010						
Trade and other receivables		550	103	678	–	1,331
Long-term investments	0%	–	–	–	8	8
Total		550	103	678	8	1,339
2009						
Trade and other receivables		644	596	701	–	1,941
Short-term investments	0%	–	–	143	–	143
Long-term investments	0%	–	–	–	201	201
Total		644	596	844	201	2,285

Currency Risk

Currency risk is the risk that the financial results of the Group will be adversely impacted by changes in exchange rates to which the Group is exposed. The Group has export revenue, and purchases third party transportation services, which are denominated in foreign currencies. Certain receivable and payable balances,

related primarily to settlements with customers, are denominated in currencies other than the Russian Rouble, the functional currency of the Company.

During 2010 and 2009 the Group's financial assets denominated in foreign currency have exceeded its foreign currency financial

liabilities. For the year to 31 December 2010 the Russian Rouble depreciated against the US Dollar by 1%, and appreciated against EURO by 7% (depreciated against US Dollar and EURO 3% and

5%, respectively, for the year to 31 December 2009). The Group does not have or use any formal arrangements (i.e. derivatives) to manage foreign currency risk exposure.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as at the reporting date are as follows:

	USD		EURO		Other	
	2010	2009	2010	2009	2010	2009
Assets						
Cash and cash equivalents	77	15	76	47	1	–
Trade and other receivables	434	262	71	69	10	1
Total assets	511	277	147	116	11	1
Liabilities						
Trade and other payables	161	83	31	10	9	1
Total liabilities	161	83	31	10	9	1

The table below details the Group's sensitivity to strengthening of the Russian Rouble against US Dollar and EURO by 10%, all other variables being held constant. The analysis was applied to monetary items at the balance sheet dates denominated in respective currencies.

	USD – impact		EUR – impact	
	2010	2009	2010	2009
Loss	(35)	(19)	(12)	(10)

The weakening of the Russian Rouble in relation to the same currencies by the same percentage will produce an equal and opposite effect on the consolidated financial statements of the Group to that shown above.

Interest rate risk

Interest rate risk is the risk that movement in interest rates for borrowed funds will have an adverse effect on the Group's financial performance. Management monitors changes in interest rates and takes steps to mitigate these risks as far as practicable by ensuring the Group has financial liabilities with both floating and fixed interest rates, and maintaining an appropriate mix between debt and equity.

As at 31 December 2010 the Group's borrowed funds consist of RUR bonds, series 1 and series 2 (Note 14) and finance lease liabilities (Note 15). With respect to RUR bonds series 1, issued in March 2008, the Group was exposed to interest rate risk during 2010, because in accordance with terms of the bond offering the coupon rate for these bonds was reset after the second (March 2009) and the fourth (March 2010) semi-annual coupon payment, respectively, due to the accompanying put options at these dates (see also Note 14). In March 2010 the coupon rate was reset to 9.5%, and there are no further changes to interest rate for these bonds until their maturity in February 2013.

The annual coupon rate for RUR bonds, series 2 has been set at 8.8% for the entire five-year maturity period of the bonds, with no subsequent changes. The effective interest rate for these bonds is 9.01%.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not hedge its credit risk.

The Group's exposure to credit risk arises primarily with respect to receivables in connection with container shipping activities. Credit exposure is managed by establishing credit limits for the most significant customers that are reviewed and approved by management. Deferred payment terms are offered only to the most significant customers of the Group with proven credit history. Sales to other customers are made on a prepayment basis.

The carrying amount of accounts receivable, net of provision for impairment of receivables, represents the maximum amount exposed to credit risk. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provision already recorded.

The Group's business is dependent on a few large key customers. As of 31 December 2010 60% of the total net amount of trade and other receivables related to the five largest counterparties of the Group (31 December 2009: 62%).

Additional information

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2010 (Amounts in millions of Russian Roubles)

The largest receivables outstanding as of the balance sheet date are as follows:

	Outstanding balance 2009, net
CJSC "Gorodskaya Innovacionno-Lizingovaya Kompaniya"	477
RZD	308
LLC "Novorossiysky Mazutniy Terminal"	248
LLC "Sollers – Elabuga"	94
LLC "Volkswagen Group Rus"	69
Total	1,196

	Outstanding balance 2010, net
RZD	293
Far East Land Bridge Ltd	212
LLC "Sollers – Elabuga"	115
LLC "Unico Logistics Rus"	99
LLC "Volkswagen Group Rus"	74
Total	793

As of 31 December 2010 and 2009 no impairment has been identified for these customers.

Credit risk on liquid funds is limited because these funds are placed only with financial institutions well known to the Group. 98% of total cash and cash equivalents as of 31 December 2010 (2009: 96%), were held with one bank which is related to the Group.

29. NON-CASH TRANSACTIONS

During 2010 the Group entered into the following non-cash transactions:

- promissory notes of LLC "Finance-Proekt" have been exchanged for certain property, plant and equipment of LLC "Zapadny Port" (Note 7);
- a loan due from Far East Land Bridge was settled in exchange for 10% of this entity's shares (Note 11).

30. SUBSEQUENT EVENTS

Acquisition of Kedentransservice – In March 2011 the Company has acquired 67% of shares of JSC "Kedentransservice", a leading operator of cargo handling terminal facilities and provider of freight forwarding and logistics services in Kazakhstan. The consideration will not exceed USD 69 million (RUR 2,103 million, at the Central Bank of Russia exchange rate as at 31 December 2010), depending on the amount of adjustment to the initial price, calculated at a certain date subsequent to acquisition. The amount of such adjustment has not been calculated as at the date these financial statements are authorized for issue.

As at the date these financial statements are authorized for issue, the Company does not have the necessary financial information of Kedentransservice to be able to complete its assessment of the fair value of the net identifiable assets acquired and as a result, such financial information has not been disclosed.

In March 2011 the Group has also entered into a joint venture cooperation agreement with JSC "Kazakh Temir Zholy" ("KTZ") – the second shareholder of Kedentransservice. In accordance with the terms of the agreement, KTZ shall acquire 17% of the shares from the Company, bringing the Company's share of ownership in Kedentransservice to 50%, subject to fulfillment of certain conditions and responsibilities of each party, which must be met in order for the agreement to be in effect. As at the date these financial statements are authorized for issue, such necessary conditions have not been met. However, such requirements are expected to be fulfilled before the end of 2011.

The joint-venture agreement also contains certain clauses which upon formation of the joint-venture serve to protect the interests of both parties and trigger the right of one party to sell its shares to the other party in the event of the other party's non-compliance with certain provisions of the agreement.

The Group formed Logistics Investments SARL, a 100% subsidiary in Luxembourg, in March 2011, with share capital in the amount of EURO 12.5 thousand. The Company's ownership of the shares of Kedentransservices will be transferred to this new subsidiary.

Opinion of the Revision Commission

Opinion

of the Revision Commission on the Results of Auditing the Business
of Joint-Stock Company TransContainer for 2010

Moscow

April 15, 2011

In accordance with Article 85 of the Federal Law 'On Joint-Stock Companies', the Regulations for the Revision Commission of JSC TransContainer approved by the Decision of the General Meeting of the Shareholders of JSC TransContainer (hereinafter, the 'Company'), the schedule of the Revision Commission of JSC TransContainer approved by the Decision of the Revision Commission of the Company (Minutes No. 1 of 06.08.2010) consisting of Chairman of the Revision Commission O. B. Ivanov and members of the Revision Commission N. A. Lem, S. V. Davydov, A. N. Chernyavskaya, L. A. Bulgakova and outsourced experts, a scheduled audit of the business of JSC TransContainer for 2010 was carried out.

The audit was held at the Administrative Staff and branches of the Company during the period from February 15 to April 15, 2011.

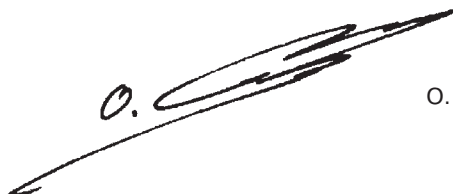
The object of the audit was the business of the Company for 2010.

Data on the business of the Company were sourced from business documents including financial statements, primary accounting documents, bank documents, contracts, etc.

The audit included a selective examination of accounting data and financial statements of the Company.

Based on the audit the Revision Commission has a reasonable cause to confirm the data contained in reports and other financial documents including the annual report of JSC TransContainer for 2010.

Chairman of the Revision Commission
of JSC TransContainer



O. B. Ivanov

Additional information

Balance Sheet as of 31 December 2010

(Thousands of roubles)

ASSETS	Item code	At the beginning of accounting year	At the end of accounting year
I. Non-current assets			
Intangible assets	110	370	230
Property plant and equipment	120	17,791,456	20,620,633
Construction in progress	130	1,293,107	1,510,617
Income-yielding investments in tangible assets	135	–	–
Long-term financial investments	140	31,273	147,468
Deferred tax assets	145	44,720	56,868
Other non-current assets	150	11,510	13,064
Section I TOTAL	190	19,172,436	22,348,880
II. Current assets			
Inventories	210	554,616	546,058
Raw materials, supplies and other similar assets	211	211,650	246,498
Rearers and fatteners	212	–	–
Expenditure on the work in progress	213	–	–
Finished products and goods for resale	214	731	1,142
Goods delivered	215	–	–
Prepaid expenses	216	342,235	298,418
Other inventory and expenses	217	–	–
Value added tax receivable	220	321,174	610,040
Accounts receivable (payment of which is expected within more than 12 months after the reporting date)	230	–	–
including clients and customers	231	–	–
Accounts receivable (payments are expected within more than 12 months after the reporting date)	240	6,631,342	5,780,771
including trade receivables	241	1,526,137	888,339
Short-term financial investments	250	240,198	600,000
Cash	260	433,417	667,224
Other current assets	270	213,179	258,225
Section II TOTAL	290	8,393,926	8,462,318
BALANCE	300	27,566,362	30,811,198

EQUITY AND LIABILITIES	Item code	At the beginning of accounting year	At the end of accounting year
III. Capital and reserves			
Share capital	410	13,894,778	13,894,778
Shares repurchased	411	(–)	(–)
Additional paid-in capital	420	103,881	103,881
Reserve funds, including:	430	282,703	283,808
Reserves created as per legislative requirements	431	282,703	283,808
Reserves, created in accordance with the constituent documents	432	–	–
Retained earnings	470	4,460,856	4,848,078
Section III TOTAL	490	18,742,218	19,130,545
IV. Non-current liabilities			
Long-term borrowings	510	4,519,840	6,000,000
Deferred tax liabilities	515	232,670	313,891
Other long-term liabilities	520	–	–
Section IV TOTAL	590	4,752,510	6,313,891
V. Current liabilities			
Loans and credits	610	–	–
Accounts payable, including:	620	3,891,293	5,218,304
Trade payables	621	871,205	928,068
wages and salaries	622	26,458	57,936
Social insurance payable	623	21,165	14,806
taxes payables	624	187,624	772,726
other payables	625	2,784,841	3,444,768
Dividends payable	630	–	–
Deferred revenue	640	605	462
Expenses and provisions	650	–	–
Other current liabilities	660	179,736	147,996
Section V TOTAL	690	4,071,634	5,366,762
BALANCE	700	27,566,362	30,811,198

ITEMS	Item code	At the beginning of accounting year	At the end of accounting year
Statement of assets accounted for on the off-balance sheet			
Assets leased in	910	5,561,211	3,789,373
including assets received under lease agreements	911	4,030,001	2,744,900
Assets accepted for storage	920	955	590
Goods accepted for commission	930	–	–
Bad debts of insolvent debtors written off	940	1,466	13,195
Collateral received	950	2,678,486	2,681,186
Collateral provided	960	1,559,108	6,864
Housing stock depreciation	970	–	–
Depreciation of land improvement facilities and other similar objects	980	–	–
Intangible assets received	990	104,455	170,168
Limited-issue forms	991	27	87
Assets in operation that have a useful life more than 12 months recorded as inventories	992	435,149	403,199
Property in operation that has a useful life less than 12 months	993	10,133	24,318

Additional information

Profit and Loss Statement

Description	Code	For the reporting period	For the corresponding period of the previous year
Operating income and expenses			
Net revenue from sales of goods, products, works, services (net of value added tax, excise duties and similar obligatory charges)	010	22,759,837	16,348,015
Cost of goods, products, works, services	020	(20,630,620)	(15,484,968)
Gross profit	029	2,129,217	863,047
Selling expenses	030	(48,219)	(88,503)
Management expenses	040	(–)	(–)
Profit (loss) from sales	050	2,080,998	774,544
Other income and expenses			
Interest income	060	14,852	35,560
Interest expenses	070	(562,300)	(570,214)
Earnings from equity interests in other entities	080	–	–
Other income	090	1,604,217	2,895,273
Other expenses	100	(2,179,617)	(2,789,997)
Profit (loss) before income tax	140	958,150	345,166
Deferred tax benefit	141	12,148	18,347
Deferred tax expense	142	(81,221)	(60,481)
Current income tax expense	150	(485,661)	(340,312)
Additional criteria	181	(739)	(59,381)
Adjustments to profit tax restatement for the previous reporting periods	180	(–)	(62,105)
Fine sanctions and penalty fees, paid for violation of tax and other legislation	180	(739)	(2,724)
Net profit (loss) for reporting period	190	404,155	22,101
FOR REFERENCE:			
Permanent tax liabilities (assets)	200	363,104	251,308
Basic earnings (loss) per share	201	–	–
Diluted earnings (loss) per share	202	–	–

BREAKDOWN OF CERTAIN GAIN AND LOSSES

Description	Code	For the reporting period		For the corresponding period of the previous year	
		Profit	Loss	Profit	Loss
Fines, penalty fees and forfeit penalties, recognized by the Company or awarded by court (arbitration)	210	30,686	(4,198)	73,147	(6,090)
Profits (loss) of previous years	220	103,989	(330,785)	246,254	(222,801)
Reimbursement of losses caused by improper fulfillment of obligations	230	8,272	(66,784)	4,685	(1,038)
Exchange gains losses from transactions in foreign currency	240	230,284	(213,709)	454,947	(450,948)
Provisions	250	X	(78,369)	X	–
Accounts receivable and accounts payable written-off expiration of limitation	260	5,182	(11,729)	3,464	(1,466)
	270	–	–	–	–

Additional information

Statement of Changes in Equity for January - December 2010

I. CHANGES IN EQUITY

Description	Code	Authorized capital	Additional capital	Reserve capital	Undistributed profit (uncovered loss)	Total
Balance as of December 31, 2008	010	13,894,778	103,881	148,691	4,915,308	19,062,658
2009 (previous year)						
Changes in accounting policy	020	X	X	X	-	-
Fixed assets revaluation surplus	030	X	-	X	-	-
Effect ion changes in income tax rate	040	X	-	-	29,330	29,330
Balance as of January 1, 2009	050	13,894,778	103,881	148,691	4,944,638	19,091,988
Foreign-currency translation surplus	055	X	-	X	X	-
Net profit for the year	060	X	X	X	22,101	22,101
Dividends	065	X	X	X	(268,030)	(268,030)
Deductions to the reserve fund	067	X	X	134,012	(134,012)	-
Growth of capital value by:						
additional share issue	070	-	X	X	X	-
increase of nominal value of shares	075	-	X	X	X	-
reorganization of the legal entity	080	-	X	X	-	-
	081	-	-	-	-	-
Reduction of capital value by:						
decrease of nominal value of shares	085	(-)	X	X	X	-
reduction of quantity of shares	086	(-)	X	X	X	-
reorganization of the legal entity	087	(-)	X	X	(-)	-
by the decision of the of Shareholders' meeting	089	(-)	(-)	(-)	(103,841)	(103,841)
Balance as of December 31, 2009	090	13,894,778	103,881	282,703	4,460,856	18,742,218
2010 (previous year)						
Changes in accounting policy	092	X	X	X	-	-
Fixed assets revaluation surplus	094	X	-	X	-	-
	096	X	-	-	-	-
Balance as of January 1, 2010	100	13,894,778	103,881	282,703	4,460,856	18,742,218
Foreign-currency translation surplus	102	X	-	X	X	-
Net profit	106	X	X	X	404,155	404,155
Dividends	108	X	X	X	(2,223)	(2,223)
Deductions to the reserve fund	110	X	X	1,105	(1,105)	-
Growth of capital value by:						
additional share issue	121	-	X	X	X	-
increase of nominal value of shares	122	-	X	X	X	-
reorganization of the legal entity	123	-	X	X	-	-
	125	-	-	-	-	-
Reduction of capital value by:						
decrease of nominal value of shares	131	(-)	X	X	X	-
reduction of quantity of shares	132	(-)	X	X	X	-
reorganization of the legal entity	133	(-)	X	X	(-)	-
by the decision of the General Meeting of Shareholders	135	(-)	(-)	(-)	(13,605)	(13,605)
Balance as of December 31, 2010	140	13,894,778	103,881	283,808	4,848,078	19,130,545

Additional information

Statement of Changes in Equity for January - December 2010

II. RESERVES

Description	Code	Balance	Received	Applied	Balance
Reserves, generated in accordance with legislation:					
Reserve capital					
Data of the prior year data	150	148,691	134,012	(-)	282,703
Current year data	151	282,703	1,105	(-)	283,808
Reserves, generated in accordance with the constituent documents:					
(Reserve name)					
Data of the prior year data	160	-	-	(-)	-
Current year data	161	-	-	(-)	-
Assessed reserves:					
Allowance for doubtful accounts receivable					
(Reserve name)					
Data of the previous year	170	-	-	(-)	-
Current year data	171	-	78,369	(-)	78,369
Reserves for future expenses and payments:					
Reserve for contingent liabilities					
(Reserve name)					
Data of the previous year	180	-	-	(-)	-
Current year data	181	-	34,341	(-)	34,341

SUMMARY

Description	Code	Opening balance	Closing balance
Net assets	200	18,742,823	19,131,007

Description	Code	From budget		From extra-budgetary funds	
		For the reporting year	For the previous year	For the reporting year	For the previous year
Received for:					
general expenses, total	210	–	–	501	–
including:					
Target financing for performance of measures for prevention of industrial injuries	211	–	–	501	–
	212	–	–	–	–
	213	–	–	–	–
Capital investments in noncurrent assets	220	–	–	–	–
including:					
	221	–	–	–	–
	222	–	–	–	–
	223	–	–	–	

Additional information

Cash Flow Statement for January - December 2010

Description	Code	For the reporting period	For the corresponding period of the previous year
Cash and cash equivalents at the beginning of the reporting year	010	431,294	448,844
Cash flow of operating activities			
Cash received from customers	020	26,603,403	19,160,705
Other cash inflows	040	16,103,784	14,759,672
Cash and cash equivalents out flow	100	(36,898,003)	(31,132,190)
payment for purchased goods, works, services, raw materials and other current assets	150	(31,756,482)	(26,398,780)
payments to employees	160	(2,038,026)	(1,781,213)
payment of dividends, interest	170	(618,179)	(760,378)
payments of taxes	180	(1,824,804)	(1,415,176)
other payments	190	(660,512)	(776,643)
Net cash flow from operating activities	200	5,809,184	2,788,187
Cash flow from investment activities			
Proceeds from sales of fixed assets and other noncurrent assets	210	12,136	1,825
Proceeds from sales of investments	220	10,363,000	22,493,706
Interest received	240	22,441	35,478
Proceeds from repayment of loans given to other entities	250	91,431	
Acquisition of subsidiaries	280	()	()
Acquisition of fixed assets, income-yielding investments in tangible assets and intangible assets	290	(5,482,706)	(3,509,085)
Purchase of securities and other financial investments	300	(11,004,417)	(22,471,648)
Loans, granted to other entities	310	()	(90,733)
Net cash flow from investing activities	340	(5,998,115)	(3,540,457)
Cash flow from financing activities			
Receipts from shares issued and other equity securities issued	350		
Receipts from borrowings	360	2,999,418	7,631,641
Repayment of borrowings (including payment of interest)	400	(1,519,840)	(6,113,382)
Repayment of finance lease liabilities	410	(1,054,717)	(781,416)
Net cash flow from financing activities	430	424,861	736,843
Net increase (decrease) in cash and cash equivalents	440	235,930	(15,427)
Cash and cash equivalents at the end of the reporting year	450	667,224	433,417
Effect of foreign exchange rate changes on cash and cash equivalents	460	(2,123)	5,523

Appendix to the Balance Sheet

INTANGIBLE ASSETS

Description	Code	As at the beginning of the reporting year	Additions	Disposals	As at the end of the reporting period
Intellectual property assets (exclusive rights on results from intellectual property)	010	711	–	(–)	711
the right of the patent holder to an invention, industrial design and a utility model	011	593	–	(–)	593
owner to trademark and service mark, name of the place of goods origin	014	118	–	(–)	118
patent holder to achievements in selection	015	–	–	(–)	–
Organizational expenses	020	–	–	(–)	–
Goodwill	030	–	–	(–)	–
	035	–	–	(–)	–
Other	040	–	–	(–)	–

Description	Code	As at the beginning of the reporting year	As at the end of the reporting period
Amortization of intangible assets, total	050	341	481
including:			
patent, trademark	051	341	481
	052	–	–
	053	–	–

PROPERTY, PLANT AND EQUIPMENT

Description	Code	As at the beginning of the reporting year	Additions	Disposals	As at the end of the reporting period
Buildings	070	1,750,895	65,453	(2,966)	1,813,382
Construction and transmission mechanisms	080	3,046,126	593,264	(28,125)	3,611,265
Machinery and equipment	085	1,901,294	317,388	(85,345)	2,133,337
Vehicles	090	13,748,046	4,095,420	(371,470)	17,471,996
Household equipment	095	3,902,641	217,816	(10,119)	4,110,338
Working livestock	100	–	–	(–)	–
Productive livestock	105	–	–	(–)	–
Perennial plants	110	–	–	(–)	–
Other types of fixed assets	115	5,391	1,545	(–)	6,936
Land plots and natural resources	120	101,509	195	(21)	101,683
Total	130	24,455,902	5,291,081	(498,046)	29,248,937

Description	Code	As at the beginning of the year	As at the end of the period
Depreciation of property, plant and equipment total	140	6,664,446	8,628,304
including:			
buildings and constructions	141	943,113	1,209,153
machinery, equipment and vehicles	142	4,378,473	5,582,719
other	143	1,342,860	1,836,432
Fixed assets leased out, total	150	84,539	101,192
including:			
buildings	151	79,827	86,194
structures	152	1,883	2,777
others	153	2,829	12,221
Suspended fixed assets	155	511,210	503,826
Received for lease-total	160	5,561,211	3,789,373
including:			
finance lease	161	4,030,001	2,744,900
operating lease	161	1,531,210	1,044,473
immovable property, available for use and under state registration	165	–	154,684

Additional information	Code	As at the beginning of the year	As at the beginning of the previous year
Revaluation of property, plant and equipment	170	–	–

For reference	Code	As at the beginning of the year	As at the beginning of the previous year
Revaluation of fixed assets:	170	–	–
historical (replacement) cost	171	–	–
depreciation	172	–	–

For reference	Code	As at the beginning of the year	As at the end of the year
valuation changed of fixed assets as a results of competitions, additions, reconstruction, partial liquidation	250	7,181	354,913

Additional information

Appendix to the Balance Sheet

INVESTMENT PROPERTY

Description	Code	Balance	Additions	Disposals	Balance
Property for leasing	260	–	–	(–)	–
Property provided under a contract of hire	270	–	–	(–)	–
	280	–	–	(–)	–
Other	290	–	–	(–)	–
Total	300	–	–	(–)	–

Description	Code	As at the beginning of the reporting year	As at the end of the reporting period
Amortization of interest-bearing investments in tangible assets	305	–	–

RESEARCH, DEVELOPMENT AND TECHNOLOGICAL WORKS

Type of work	Code	As at the beginning of the reporting year	Additions	Disposals	As at the end of the reporting period
Total	310				
including:					
Production of two heat-insulated containers	311	–	345	(345)	–
Research and development in designing technical and construction documentation for generation of 20-foot thermo-containers	312	–	2,911	(–)	2,911

Additional information	Code	As at the beginning of the reporting year	As at the end of the reporting period
Expenses incurred on incomplete research and development and technological works	320	11,510	10,153

FINANCIAL INVESTMENTS

Description	Code	Long-term		Short-term	
		As at the beginning of the reporting year	As at the end of the reporting period	As at the beginning of the reporting year	As at the end of the reporting period
Contributions to authorized (contributory) capital of other organizations-total	510	31,273	147,468	-	-
including: subsidiaries and depend entities	511	31,273	147,468	-	-
Securities of other companies-total	520	-	-	230,000	-
Including: debt securities (bonds, notes)	521	-	-	230,000	-
Deposits	530	-	-	-	600,000
Other	535	-	-	10,198	-
Total	540	31,273	147,468	240,198	600,000

Additional information

Appendix to the Balance Sheet

ACCOUNTS RECEIVABLE AND PAYABLE

Description	Code	Balance at the beginning of the reporting year	Balance at the end of the reporting period
Accounts receivable:			
Short-term, total	620	6,631,342	5,780,771
including:			
trade receivables	621	1,526,137	888,339
advances extended	622	3,840,862	3,949,207
other	623	1,264,343	943,225
Long-term, total	630	–	–
including:			
trade receivables	631	–	–
advances extended	632	–	–
other	633	–	–
Total	640	6,631,342	5,780,771
Accounts payable:			
Short-term, total	650	4,071,029	5,366,300
including:			
trade creditors	651	871,205	928,068
advances received	652	1,357,478	1,778,886
taxes and charges payable	653	187,624	772,726
credits	654	–	–
loans	655	–	–
other	656	1,654,722	1,886,620
Long term, total	660	4,519,840	6,000,000
including			
credits	661	1,519,840	–
loans	662	3,000,000	6,000,000
	663	–	–
Total:	670	8,590,869	11,366,300

OPERATING EXPENSES (BY COST ELEMENTS)

Description	Code	For the reporting year	For the previous year
Raw materials	710	12,825,179	8,228,647
payroll	720	2,385,206	2,012,404
Social expenses	730	433,437	382,294
Depreciation and amortization	740	2,275,244	2,318,101
Other expenses	750	2,759,773	2,632,025
Total by type of expense	760	20,678,839	15,573,471
Changes in balances (increase [+], decrease [-]):			
work in progress	765	–	–
prepared expenses	766	(43,817)	1,534
reserve for future expenses	767	34,341	–

COLLATERAL

Description	Code	Balance at the beginning of the reporting year	Balance at the end of the reporting period
Received, total	770	2,678,486	2,681,186
including:			
bills	771	–	–
Pledged of property	780	2,678,486	2,681,186
of which:			
fixed assets	781	2,678,486	2,681,186
securities and other financial investments	782	–	–
other	783	–	–
	784	–	–
Provided total	790	1,559,108	6,864
including:			
bills	791	–	–
Pledged assets	800	1,551,640	–
of which:			
fixed assets	801	1,551,640	–
securities and other financial investments	802	–	–
other	803	–	–
	804	–	–

STATE AID

Description	Code	Reporting period	For the corresponding period of the previous year
State budget credit-total	910	501	–
including:			
target financing for measures to prevent industrial injury	911	501	–
	912	–	–
	913	–	–

Additional information

Appraisal of the net assets of OJSC TransContainer for January - December 2010

Criterion	Code	At the beginning of the reporting year	At the end of the reporting period
I. Assets			
Intangible assets	110	370	230
Fixed assets	120	17,791,456	20,620,633
Construction in progress	130	1,293,107	1,510,617
Income-yielding investments in tangible assets	135		
Long-term and short-term financial investments ¹	140+250	271,471	747,468
Other non-current assets ²	150+145	56,230	69,932
Inventory	210	554,616	546,058
Value added tax receivable	220	321,174	610,040
Accounts receivable ³	230+240	6,631,342	5,780,771
Cash	260	433,417	667,224
Other current assets	270	213,179	258,225
Total assets, taken into calculation (sum of entries 1 - 11)		27,566,362	30,811,198
II. Liabilities			
Long-term borrowings	510	4,519,840	6,000,000
Other long-term liabilities ^{4,5}	520+515	232,670	313,891
Short-term borrowings	610		
Accounts payable	620	3,891,293	5,218,304
Dividends payable to members (founders)	630		
Reserves for future expenses and payments	650		
Other short-term liabilities ⁵	660	179,736	147,996
Total liabilities, taken into calculation (sum of entries 13 - 19)		8,823,539	11,680,191
Value of net assets of a joint stock company (total assets, taken into calculation (line 12), minus total liabilities, taken into calculation (line 20))		18,742,823	19,131,007
¹ Excluding actual expenses on repurchase of own stock from shareholders			
² Including amount of deferred tax assets			
³ Excluding outstanding contributions of members (founders) to the authorized capital			
⁴ Including amount of deferred tax liabilities			
⁵ The amounts specified in the other long-term and short-term liabilities are the amounts of reserves created according to the established procedures in connection with the contingent liabilities and discontinuation of activities			

Group structure

TransContainer is expanding geographically, including through the creation of subsidiaries and dependent companies abroad. In 2010, it created and launched Real-Container LLC, a Russian-Chinese joint venture for international rail container shipment, in addition to subsidiaries TransContainer Asia Pacific Ltd in South Korea and TransContainer Europe GmbH in Austria.



Name of company	Place of registration	Activity	Company's stake
Oy ContainerTrans Scandinavia (JV)	Helsinki, Finland	Organization, operation, sales, marketing and development of complete logistics solutions for container-based shipments between Finland and Russia, as well as related necessary acquisitions of shipping, loading, freight-forwarding, operating, unloading, customs clearance, door-to-door delivery, storage and associated services.	50%
Trans-Eurasia Logistics GmbH	Berlin, Germany	Organization, operation, sales, marketing and development of complete logistics solutions for container-based shipments, as well as related necessary acquisitions of shipping, loading, freight-forwarding, operating, unloading, customs clearance, door-to-door delivery, storage and associated services.	20%
Rail-Container LLC (JV)	Beijing, China	Agency offering services for international land-based cargo shipments (export and import), including: transfer of cargo to third parties for dispatch, storage, packaging; oversight of shipping, unloading, assembly and loading of container cargo, distribution of cargo, transshipment; services of customs agent, receiving agent, public health agency, goods expertise, insurance agent; preparation of originals of relevant documents, payment of transportation and other sundry costs, billing; shipping as agent of demonstration pieces, personal goods, transit cargos; international multimodal shipments, container shipments (including prefabricated containers); export and import of goods, technologies, import-export agency services.	49%
TransContainer-Slovakia, a.s. (subsidiary)	Kosice, Slovakia	Preparatory work to increase rail shipments of container freight along pan-European transport corridor number 5.	100%
TransContainer Asia Pacific Ltd. (subsidiary)	Seoul, South Korea	1. Sales of container transportation services, organization and tracking of shipments, transshipments, deliveries, processing and transportation/freight-forwarding services for foreign-trade cargos on TransContainer's container lines, including through sea ports, cargo sourcing. 2. Integrated associated services (terminal processing, customs clearance, cargo conveyance, warehousing, information on container movements, etc.). 3. Organization, acceptance and storage of empty containers; container maintenance and repair where necessary; other work necessary on empty containers as directed by the founder. 4. Operation of container fleet; acquisitions, sales and repair of containers. 5. Advertising, holding of business forums and seminars on container shipments.	100%
TransContainer Europe GmbH (subsidiary)	Vienna, Austria	Assistance in investments in subsidiaries, as well as in cargo shipping (including container-based) across Europe and related areas, plus management of all of the above.	100%

Corporate Governance Compliance Report

Core regulations of TransContainer's Corporate Governance Code	In compliance / not in compliance	Notes
Annual General Meeting of Shareholders		
The Company shall ensure effective shareholder participation in key decisions. Shareholder rights are governed by the Company Charter and other internal documents.	In compliance	The Company has approved a resolution on convening and holding the Annual Meeting of Shareholders.
The Company shall select and appoint an independent registrar with all the necessary technical and a sound reputation.	In compliance	The registrar is Status.
Holders of voting shares may participate in the Annual Meeting of Shareholders and vote on all issues addressed.	In compliance	
Notification of the Annual Meeting of Shareholders shall be sent to those eligible to participate by registered mail or in person no later than 30 (thirty) days before the meeting.	In compliance	
The Company shall provide those eligible to participate in the Annual Meeting of Shareholders with information (material) on the agenda 30 (thirty) days before the meeting is held.	In compliance	Material for the Annual Meeting of Shareholders shall be made available on the Company's website.
Voting at the Annual Meeting of Shareholders shall be based on the principle of "one voting share, one vote", except for cumulative voting to elect members of the Board of Directors.	In compliance	
The Chairman of the Board of Directors shall chair the Annual Meeting of Shareholders. Should the Chairman not be present, shareholders shall choose another member of the Board of Directors or another shareholder representative present at the meeting.	In compliance	
The Company shall request that the General Director, as well as members of the Board of Directors and Audit Commission, the external auditor and the Head of the Internal Audit Service, participate in the Annual Meeting of Shareholders.	In compliance	
The registrar performs the role of the Company's Returning Board at the Annual Meeting of Shareholders.	In compliance	
Board of Directors		
To ensure objectivity in decision-making and to maintain a balance between the interests of various groups of shareholders, the Company shall seek to optimize the composition of the Board of Directors. This shall include increasing the number of non-executive and independent directors, as well as representatives of minority shareholders.	In compliance	At present, eight of the nine directors are non-executives, while two qualify as independent directors.
The Board of Directors shall determine which members qualify as independent on an annual basis.	In compliance	In July 2010, the Board of Directors reviewed the criteria for independent directors and concluded that Irina Shitkina and David Hexter meet them.
The Chairman of the Board of Directors shall be responsible for overseeing the work of the Board and running it efficiently. The Chairman shall also ensure effective communication between the Company and its shareholders and a constructive relationship between the Board of Directors and management.	In compliance	
The Chairman of the Board of Directors shall ensure a positive atmosphere at Board meetings to allow issues to be discussed comprehensively, all opinions to be heard and effective decisions to be made.	In compliance	
Together with the Company Secretary, the Chairman of the Board of Directors shall ensure that directors receive reliable and complete information relating to Board meeting agendas in a timely manner.	In compliance	
The Board of Directors shall conduct an annual review of its activity and the work of the various committees through questionnaires, and shall make decisions about improving the Board's activities based on a discussion of the questionnaire results at a Board meeting.	In compliance	The Board of Directors plans to conduct a review of its activities and the work of the various committees during the 2010-11 corporate year in June 2011.

Core regulations of TransContainer's Corporate Governance Code	In compliance / not in compliance	Notes
Committees reporting to the Board of Directors		
Board committees shall comprise individuals with extensive experience and knowledge in the relevant areas, to increase the efficiency and quality of the Board's work. The Company shall seek to include independent directors and shareholder representatives in these committees.	In compliance	The Audit Committee and the Personnel and Remuneration Committee are chaired by independent directors. All committee members have the requisite knowledge and experience. More detailed information is available in the Corporate Governance section of this report and on the Company's website at http://www.trcont.ru/?id=72&L=1
General Director		
The General Director shall be accountable to the Annual Meeting of Shareholders and the Board of Directors.	In compliance	
The Company's rights and obligations in respect of the General Director shall be overseen by the Board of Directors.	In compliance	
Audit Committee		
In performing its duties, the Audit Committee shall be independent of officials from management bodies and of middle-management officials.	In compliance	
Members of the Audit Committee shall not be officials or employees of the Company.	In compliance	Information on the composition of the Audit Commission is available in the Corporate Governance section of this report.
Role of stakeholders		
The Company shall target long-term, sustainable profitability, while balancing its economic and social interests.	In compliance	
The Company shall aim to identify the interests of various stakeholder groups during meetings, negotiations and working groups formed to resolve particular issues. The Company shall take into account stakeholder interests when making business-management decisions.	In compliance	
The Company shall work to identify, analyze and react to public expectations effectively.	In compliance	
To ensure a high level of social responsibility, the Company has adopted a Code of Ethics that establishes the principles and standards that should guide all employees in their work, including in conjunction with stakeholders.	In compliance	http://www.trcont.ru/fileadmin/template/images/affilir/kodeks_earthiki.pdf
Disclosure		
The Company's disclosure policy shall be designed to guarantee maximum trust among shareholders, creditors, investors and other stakeholders by providing sufficient information about the Company, its activities and securities to enable reasonable and sound decisions to be made in relation to the Company and its securities.	In compliance	The disclosure policy, details of information disclosed by the Company, and procedures and timeframes for so doing are defined in the Resolution on Disclosure as approved by the Board of Directors. http://www.trcont.ru/fileadmin/template/images/affilir/Polozhenie_o_raskrytii.pdf
In disclosing information about itself, the Company shall not limit information disclosure to the requirements of Russian legislation, but shall also disclose other information to ensure a high level of transparency.	In compliance	From 2010, the Company shall disclose information in accordance with the requirements of stock exchanges, including the LSE.
The Company is guided by the following principles when disclosing information: regularity and timeliness when making information available reliability and completeness of information accessibility of disclosed information neutrality of information disclosure maintenance of a reasonable balance between transparency and safeguarding the Company's commercial interests	In compliance	
To find a reasonable balance between transparency and safeguarding commercial interests when disclosing information, the Company shall protect confidential information, including state and commercial secrets, in accordance with Russian legislation and the Company's own legal documents. The Company has approved a list of information that constitutes commercial secrets, the criteria used to classify information as a commercial secret, and the procedure to access it. Information obtained by Company employees and members of its management bodies while performing their duties may not be used by them for personal purposes.	In compliance	
To control the use of insider information, the Board of Directors has approved a Resolution on Insider Information that defines insider information and establishes procedures for its use and protection.	In compliance	http://www.trcont.ru/fileadmin/template/images/affilir/akt/Polozhenie_ob_insaiderskoi_informacii_OAO_TransKonteiner.pdf

Additional information

Corporate Governance

Compliance Report

Core regulations of TransContainer's Corporate Governance Code	In compliance / not in compliance	Notes
Risk management		
The Company shall seek to apply an organized approach to identifying, assessing and minimizing risks. Risk assessment and management are key to developing and implementing the Company's development strategy.	In compliance	Information on the Company's risk-management measures is given in the Risks section of this report.
The Board of Directors shall exert ongoing control over risk management, including through committees reporting to the Board of Directors that contribute to risk-management processes.	In compliance	The Board of Directors has approved a Risk Management Policy, Risk Management Systems Framework and Corporate Risk Map.
Internal and external audit		
To ensure independence in the auditing of the financial statements, the Company has approved a policy of rotating its external auditor and cooperating with the said auditor on non-auditing services.	In compliance	Decision of the Board of Directors dated 7 September 2009 (Minutes no. 3).
Candidates to audit TransContainer's financial statements under Russian Accounting Standards (RAS) and International Financial Reporting Standards (IFRS) shall be selected at least once every five years.	In compliance	An EGM on 14 September 2010 (Minutes no. 14, dated 17 September 2010) appointed Deloitte and Touche CIS as the Company's auditor based on a tender held by TransContainer's Audit Committee.
To ensure independence in the external audit, the Audit Committee shall control the resolution of non-audit services by the auditor as set out in the policy of rotating its external auditor and cooperating with the auditor on non-auditing services.	In compliance	
The Audit Committee shall annually assess the external auditor's work and whether it meets the necessary level of independence.	In compliance	
TransContainer shall select auditing firms from the "Big Four". The Company deems it appropriate to select one auditor for financial statements under both Russian Accounting Standards (RAS) and International Financial Reporting Standards (IFRS).	In compliance	An EGM on 14 September 2010 (Minutes no. 14, dated 17 September 2010) appointed Deloitte and Touche CIS as the Company's auditor based on a tender held by TransContainer's Audit Committee. The auditor was approved to audit TransContainer's accounts for 2010 under RAS and IFRS.
The Internal Audit Service shall be created by a resolution of the Board of Directors to increase the effectiveness of internal control and risk management systems, provide the management with reliable and complete information about the Company's activities, and identify, prevent and limit potential abuse by Company officials.	In compliance	
The Internal Audit Service shall report to the Board of Directors' Audit Committee.	In compliance	
Dividends		
The Company's Dividend Policy shall be based on the following considerations: annual payment of dividends when the Company posts a net profit balancing the Company's interests with those of shareholders increasing the Company's capitalization and investment attractiveness respect for shareholder rights under Russian law and international corporate best practice transparency in determining dividend levels and payments	In compliance	
The Company shall recognize the importance of shareholders receiving dividends as a form of investment income, and shall seek to establish a transparent mechanism that is clear to shareholders for setting dividend levels and payments.	In compliance	Company policy on determining dividends and how they are to be paid is set out in the Dividend Policy. http://www.trcont.ru/fileadmin/template/images/finans/internal_documents_pdf/Dividendnaja_politika.pdf

Core regulations of TransContainer's Corporate Governance Code	In compliance / not in compliance	Notes
Management of subsidiaries and affiliates		
In participating in the capital of subsidiaries and affiliates, TransContainer is interested in ensuring the profitability and overall balanced growth of the Company and its subsidiaries and affiliates. When making strategic development decisions relating to its subsidiaries and affiliates, the Company shall take into account the interests of other participants/shareholders in these subsidiaries and affiliates, and shall agree with them on how to manage the subsidiaries and affiliates. In developing the businesses of its subsidiaries and affiliates, the Company is also interested in identifying and addressing stakeholder interests (investors, partners, clients, etc).	In compliance	
The Company shall use the following techniques to manage its subsidiaries and affiliates: involvement in the management bodies of subsidiaries and affiliates, making management decisions (through annual shareholder meetings and boards of directors, if appropriate), and exercising oversight of subsidiaries and affiliates through their control bodies.	In compliance	
Corporate disputes		
The Company shall take steps to identify, prevent and resolve disputes in their early stages.	In compliance	
In the event of a corporate dispute involving the interests of the Company or its shareholders, a branch of the Company and the Company itself or between Company shareholders, the Board of Directors shall review the dispute to determine whether it can mediate, as well as which steps are necessary and possible to resolve it.	Not applicable	No such situations have arisen to date
If a member of the Board of Directors involved in dispute resolution believes that the dispute affects or could affect his own interests, he or she must inform the Board of Directors as soon as becoming aware of it. In this case, the Board of Directors shall decide whether the member can continue to participate in the resolution of the dispute.	Not applicable	No such situations have arisen to date
If necessary, the General Director can take part in resolving corporate disputes.	Not applicable	No such situations have arisen to date
With the consent of shareholders who are party to a corporate dispute, the Board of Directors or General Director may act as an intermediary.	Not applicable	No such situations have arisen to date
With the agreement of shareholders who are party to a corporate dispute, the Board of Directors or members thereof and/or the General Director may participate in negotiations between shareholders, clarify corporate law and the Company's own internal rules, and offer recommendations on drafting potential solutions to the dispute.	Not applicable	No such situations have arisen to date
The Company Secretary shall keep a record of corporate disputes. The Company Secretary shall also keep a record of shareholder enquiries, correspondence and demands, giving a preliminary assessment, and passing them on to the Board of Directors for review.	In compliance	This rule is included in the Resolution on TransContainer's Company Secretary as approved by the Board of Directors. No such situations have arisen to date.

Additional information

Information on major and related-party transactions

Transactions carried out by the Company during the reporting year and recognized as major transactions in accordance with Federal Law “On Joint Stock Companies”

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	BNY Mellon Bank (Cyprus) Nominees Ltd.	Deposit Agreement relating to the placement of global depositary receipts representing ordinary TransContainer shares	In accordance with Section 10 of the Agreement	Prior to notification	General Meeting of Shareholders of 14 September 2010	
Agreement	Russian Railways, TransContainer, J.P. Morgan Securities Ltd., Morgan Stanley and Co. International plc, Troika Dialog Investment Bank, TD Investments Limited, TKB Capital	Underwriting Agreement	In accordance with Section 9 of the Agreement	Until obligations have been carried out in full	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest

Transactions carried out by the Company during the reporting year and recognized as related-party transactions in accordance with the Federal Law “On Joint Stock Companies”

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Federal Passenger Company	Feasibility study	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of resources for delivery/removal of containers to and from the Client's (TC) and Russian Railways' terminals as well as any operation related to container transport	As per prices in Agreement (Appendix 2)	1 January 2010 to 31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Compensation for services relating to cargo transport. Details in Service Schedule (Appendix). Services rendered at Russian Railways Moscow branch.	As per Contractor's rates in Appendices	31 December 2010, automatic extension	Board meeting of 12 August 2009 Minutes no. 2	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of office property (294.7 square meters) at the address: Moscow, Shosse Entuziastov, 2, Building 1	Annual lease payment of 3,111,001.78 rubles (including VAT)	For the term of the Lease Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Additional Agreement	Russian Railways	Lease of property (197.2 square meters) at the address: Moscow, 2nd Paveletsky Proyezd, Building 9	Annual lease payment of 1,726,236.66 rubles (including VAT)	For the term of the Lease Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of property (72.52 square meters) at the address: Moscow, Ulitsa Dubininskaya, 63, Building 7	Annual lease payment of 616,384.64 rubles (including VAT)	For the term of the Lease Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of property (22 square meters) at the address: Moscow, Ulitsa Dubininskaya, 63, Building 17	Annual lease payment of 186,989.88 rubles (including VAT)	For the term of the Lease Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of production area (33 square meters) at the address: Smolensk, Ulitsa Novo-Moskovskaya, 2	Annual lease payment of 165,798.73 rubles (including VAT)	For the term of the Lease Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of Russian Railways property (105.7 square meters) at the address: Moscow, Ulitsa Molodogvardeyskaya, 65, Building 3, Kuntsevo 2 station	1,155,935.62 rubles a year (including VAT)	For the term of the Lease Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of Russian Railways property (9.6 square meters) at the address: Moscow, Kievskaya station	91,677.48 rubles a year (including VAT)	For the term of the Lease Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of Russian Railways property (41.2 square meters) at the address: Moscow, Spartakovskaya Ploshchad, 1/7, Building 1, First Floor, Ryazanskaya goods station	397,413.44 rubles a year (including VAT)	For the term of the Lease Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Formation of sending routes and container trains for cargo shipments (bound for the Moscow Paveletskaya goods station in TransContainer's Moscow branch)	Tariff of 23,159.96 rubles (including VAT) in accordance with the Cost Calculation for the formation of container trains (Appendix 1 of Agreement)	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of Russian Railways property (200.8 square meters) at the address: Ryazanovskoye Shosse, Building 7, Silikatnaya Ploshchad station, Podolsk	1,535,205.19 rubles a year (including VAT)	For the term of the Lease Agreement	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of Russian Railways property (12.6 square meters) at the address: Ryazanovskoye Shosse, Building 7, Silikatnaya Ploshchad station, Podolsk	79,517.33 rubles a year (including VAT)	For the term of the Lease Agreement	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of Russian Railways property (51.5 square meters) at the address: Ryazan, Lesok station	151,464.04 rubles a year (including VAT)	For the term of the Lease Agreement	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for leased property (51.5 square meters) at the address: Ryazan Region, Lesok station	2,048.67 rubles a year, plus 368.76 rubles in VAT; or 170.72 rubles a month, plus 30.73 rubles in VAT	For the term of the Lease Agreement no. TsRIA/4/A/0311010 000/08/00157 dated 1 June 2008. Extends to activities from 1 June 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for leased property (12.6 square meters) at the address: Podolsk, Silikatnaya station	As per tariffs established by organizations (Agreement Appendices)	For the term of the Lease Agreement no. TsRIA/4/A/0311010000/07/002494 dated 15 October 2007 June 2008. Extends to activities from 1 September 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for leased property (200.8 square meters) at the address: Moscow Region, Podolsk, Silikatnaya station	As per tariffs established by organizations (Agreement Appendices)	For the term of the Lease Agreement no. TsRIA/4/A/0311010000/07/002291 dated 30 July 2007	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Supplying wagons in Kuntsevo 2 station at stub tracks no. 10 and no. 10A under special terms	In accordance with the tariff (Appendix 1)	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for leased property (294.7 square meters) at the address: Moscow, Shosse Entuziastov, 2, Building 1	Payment made according to tariff prices (Appendix)	For the term of the Lease Agreement no. TsRIA/4/A/0311010000/07/001093 dated 7 June 2007. Extends to activities from 1 April 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Shipping cargo under special terms	Payment conducted by consignee/shipper invoice and deposited in full by bank transfer to the account of the Operator in accordance with the freight forwarding Agreement	21 July 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Service fees and reimbursement for maintenance expenses for property (4.5 square meters) at the address: Borsk district, Nizhny Novgorod, Mokhoviye Gory station	108.57 rubles a month, including VAT (92.01 for services)	27 January 2011. Extends to activities from 1 January 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Service fees and reimbursement for maintenance expenses for property (25 square meters) at the address: Ulitsa Ivanova, Nizhny Novgorod, Pochinki station	750.72 rubles a month, including VAT (659.27 for communal services, 91.45 for the building)	27 January 2011. Extends to activities from 1 January 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Service fees and reimbursement for maintenance expenses for property (15.54 square meters): Nizhny Novgorod Region, Bogorodsky district, Kozhevennoye station	65.05 rubles a month (8.21 for communal services, 56.84 for the building)	31 January 2010. Extends to activities from 1 January 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Service fees and reimbursement for maintenance expenses for property (6 square meters): Nizhny Novgorod Region, Pavlovsky district, Metallist station	2.71 rubles a month, including VAT (7.76 rubles for communal services, 21.95 for the building)	27 January 2011. Extends to activities from 1 January 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Feasibility study	For loading and unloading of cargo and containers onto trains and trucks with the Contractor's resources in jointly used areas: Under Article 21 of Russian Regulations of Rail Transport, the Customer shall pay the Contractor fees for additional operations relating to cargo transportation in accordance with the Rules for the Application of Transport Duties specified in Table no. 4, Tariff Guide no. 3. Container operations carried out with Russian Railways resources, which do not fall under Tariff Guide no. 3 as well as the import and export of goods in containers and other works performed by the Contractor in accordance with the current Agreement, are payable by the Customer in accordance with prices indicated in Appendix 2, which is an integral part of said Agreement.	31 December 2010. Extends to activities from 1 January 2010.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Shipping cargo under special terms	Payment conducted by consignee/shipper invoice and deposited in full by bank transfer to the account of the Operator in accordance with the freight forwarding Agreement.	5 August 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	The Supplier shall deliver the Goods specified under Specifications (Appendix 1 of Agreement), which is an integral part of the present Agreement, and carry out the order on its behalf and on the behalf of the carrier, Russian Railways (Agreement dated 31 July 2006 no. 26/417) also cargo-handling operations (CHO) with empty containers and, if necessary, other work and services directly relating to the transport of containers	2,173,615.25 rubles (including VAT)	Upon services provided	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Shipping cargo under special terms	As per the Operator's cost according to the freight forwarding Agreement	18 September 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	TransCreditBank	Agreement to open a ruble bank account	Annual 1.75% interest rate	Upon services provided	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Allocation of motor transport	As calculated	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for rented space (16.4 square meters) at the address: Ulitsa Belgorodskovo Polka, 23, Belgorod	9,988.76 rubles (including VAT)	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of Russian Railways property at the address: Pereulok Otlichnikov, 2, Voronezh	79,821.74 rubles a month (including VAT)	Until end of Lease Agreement	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Annulment of Agreement	Russian Railways	Lease of Russian Railways property at the address: Freight Yard, Lipetsk	None	20 October 2010	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Purchase of hardware	5,096.42 rubles (including VAT)	31 December 2010	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Telecommunication services	74,898.14 rubles a month (including VAT)	Until termination of Agreement 176 dated 27 October 2006	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of cabinet space for workers at AKP Blochnaya	Including water access 1,034.40 rubles a month (including VAT) without water 725.95 rubles	1 January 2010 - 31 December 2010	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Telecommunication services (railway) AKP N/k, Surgut	Subscriber payment – as per Appendix – 24,151.06 rubles (including VAT)	1 January 2010 - 31 December 2010	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of heating and water at AKP Blochnaya station	69,376.02 rubles a month (including VAT)	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Provision of local and internal communication	7,198 rubles, including a monthly payment of 354 rubles (including VAT)	Effective upon signing, and extends to activities from 15 August 2009	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Loading/unloading containers to and from the rolling stock and vehicles, and the organization of import/export of containers by road, as well as for storage of empty containers	Upon usage of automotive services in accordance with Tariffs detailed in the Agreement	31 May 2010, extends to activities from 2 June 2009	Board meeting of 7 September 2009 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Arranging preventative medical care, as well as vacations at the Volna and Alyonushka health resorts	approximately 60,000,000 rubles (including VAT)	31 December 2010	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Arranging summer vacations and stays at youth health camps: Alyonushka, Yasnaya Polyana, Solnechny, Rodnichok, Dubki, P. Morozova	Approximately 550,000 rubles (excluding VAT)	31 December 2010	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	TransCreditBank	Creation of bank account	Annual 1.75% interest rate	Upon services provided	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	20 September 2010	Board meeting of 18 November 2009 Minutes no. 10	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	283,200 rubles (including VAT)	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	6,000 rubles (including VAT)	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	50,000 rubles (including VAT)	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Execution of work at Russian Railways terminals	As per Appendices	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance expenses relating to leased property at the address (total area 518.45 square meters): Ulitsa B Khmel'nitskovo, 131, Blagoveshchensk	9,781.3 rubles per month (excluding VAT)	Until parties sign for return of leased properties	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Transportation of goods by road	As per tariffs for road transport	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Sublease for land plot (2,665 square meters) at the address: Ulitsa Depovskaya, 10, Nizhny Novgorod Region, Shakhunya	0.91 rubles a month (including VAT), or 10.01 rubles a year (including VAT) for 11 months	Upon parties' signature	Board meeting of 15 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Planned repairs for freight cars	In accordance with Price List	31 December 2010	Board meeting of 15 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Technical support for servers located at the address: Ulitsa Krasnoprudnaya, Moscow	43,448 rubles, (including VAT)	31 December 2010	General Meeting of Shareholders of 25 September 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Moscow customs duties	In accordance with fees and commissions, bank guarantee valued at 5,344,000 rubles	Until obligations have been carried out in full	Board meeting of 15 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Moscow customs duties	In accordance with fees and commissions, bank guarantee valued at 3,410,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Consultancy Agreement	0.1% of bonds' total value	Until obligations have been carried out in full	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Agreement	Lokomotiv Football Club	Sublease of volleyball and football pitches and services of a football coach	As per invoice	24 December 2010	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Issuance of bank guarantees by the Federal Customs Service	In accordance with fees and commissions, bank guarantee valued at 20,000,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Relating to the interaction of Russian Railways and TransContainer at container terminals owned by TransContainer	None	For the term of the Agreement	Board meeting of 31 December 2009 Minutes no. 12	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Planned repairs for freight cars	None	For the term of the Agreement	Board meeting of 15 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulation of relations between Russian Railways and TransContainer at Russian Railways container terminals	None	For the term of the Agreement	Board meeting of 31 December 2009 Minutes no. 12	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Provision of comprehensive information about the owner's rolling stock	None	For the term of the Agreement	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways; TransCreditBank; Baminvest
Collaborative Agreement	Russian Railways	Cooperation in the field of corporate security	None	Indefinitely	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Confidentiality Agreement	Private pension fund "Blagosostoyaniye"	Confidentiality Agreement	None	16 March 2011, automatic extension	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for leased Russian Railways property (72.52 square meters) at the address: Moscow, Ulitsa Dubininskaya, 63, Building 7	In accordance with Appendices 1 and 2 of Agreement	From the date of signing until termination of Lease Agreement no. TsRIA/4/A/0311010000/07/001368 dated 21 June 2007. Conditions of Agreement extend to parties' relations began on 1 January 2010.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for leased Russian Railways property (22 square meters) at the address: Moscow, Ulitsa Dubininskaya, 63, Building 17	In accordance with Appendices 1 and 2 of Agreement	From the date of signing until termination of Lease Agreement no. TsRIA/4/A/0311010000/07/001473 dated 21 June 2007. Conditions of Agreement extend to parties' relations began on 1 January 2010.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for leased Russian Railways property (197.2 total square meters) at the address: Moscow, 2nd Paveletsky Proyezd, Building 9	In accordance with Appendices 1, 2 of Agreement	From the date of signing until termination of Lease Agreement no. TsRIA/4/A/0311010000/07/001474 dated 21 June 2007. Conditions of Agreement extend to parties' relations from 1 January 2010.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property (18.7 square meters) with the right to modify, at the address: Kaluga, Ulitsa Lenina, 4, Building 1	109,440.08 a year (including VAT)	From moment of signing for 360 days. Conditions of Agreement extend to parties' relations from 1 February 2008. If property is used after the expiration of the Agreement, the Lease Agreement is extended indefinitely, absent any objections by the lessee.	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Technical support (obligation to maintain functioning of active equipment along lines designated by the Contractor)	93,892.60 rubles a month (including VAT)	Active until 31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Supplying wagons in Kuntsevo 2 station at stub tracks no. 10 and no. 10A under special terms	In accordance with the Tariff (Appendix 1)	Active until 31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of utility and maintenance expenses for leased Russian Railways property (72.9 square meters) at the address: Bryansk, Fokinsky district, Ulitsa 2nd Alleya, 8	In accordance with Appendix 2 of the Agreement	From 1 April 2010 until termination of Lease Agreement no. TsRIA/4/A/0311010000/07/001089 dated 28 May 2007	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of long-distance telephone services	Monthly service cost determined in accordance with applicable tariffs in force at the time of Agreement signing, listed in Appendix 2 of current Agreement	Until termination at the request of a party under Article 11 of the Agreement	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Telecommunication services	In accordance with tariffs (Appendix 1 of current Agreement)	30 April 2011	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Newspaper delivery	Price stated in Appendix 1 of the Agreement laid out the negotiation protocol for agreed prices. Additional Agreement set procedure for calculating payments.	31 December 2010	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Additional Agreement no. 1, added to Agreement no. 2/ DREA/6436 dated 25 December 2009	Russian Railways	Road transportation of goods	Price stated in Appendix 1 of the Agreement laid out the negotiation protocol for agreed prices. Additional Agreement set procedure for calculating payments.	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Road transportation of goods	In accordance with existing rates	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Cash collection, accounting and distribution	Cost of services: for cash collection – 0.7% of collected cash, for cash accounting – 0.3% of cash transferred to bank and credited to the Client's account, for temporary storage – 0.15% of sum in storage.	Indefinitely	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Agreement to annul Sublease Agreement TsRIA/4/A/ 0611010000/ 08000385 dated 26 March 2008	None	26 March 2010	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property (6 square meters), at the address: Krasnodar, Privokzalnaya Ploshchad, 9	37,313.96 rubles a year (including VAT)	1 March 2010 indefinitely	Board meeting of 22 November 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property (66.5 square meters) located in the Skachki station administrative building at the address: Pyatigorsk, Stavropol Region, Shosse Kislovodskoye, 19	23,063.19 rubles a month (including VAT)	1 June 2010 for 11 months	Board meeting of 27 October 2008 Minutes no. 28	Russian Railways; TransCreditBank; Baminvest
Agreement	Volgatranstelecom	Lease of non-residential property (114.9 square meters) at the address: Volgograd, Ulitsa Parkhomenko, 55	51,705 rubles a month (including VAT)	Active for 11 months after signing, automatic extension	Board meeting of 3 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance expenses for property at the address: Volgograd Region, Volgograd, Voroshilovsky district, Volgograd 2 station	Approximately 10,307.60 rubles a year (including VAT)	From signing until 31 December 2010. Conditions of Agreement extend to parties' relations began on 1 January 2010.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Reimbursement for maintenance expenses for property at the address: Volgograd Region, Volzhsky, Volzhsky station	Approximately 2,803.47 rubles a year (including VAT)	From signing until 31 December 2010, extends to parties' relations began on 1 January 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance expenses for leased Russian Railways property at the address: Saratov Region, Engels, Anisovka station	Approximately 5,412.63 rubles a year (including VAT)	From signing until 31 December 2010, extends to parties' relations from 1 January 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Delivery of drinking water to Kutum station	In accordance with tariffs	From signing until 31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Arranging payroll transfers and other payments	0.4% (monthly) of amounts transferred to employees	1 July 2010 - 1 July 2014	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	TransCreditBank	Opening a ruble account and carrying out account and cashier services	None	Until account closure	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Shipping cargo under special terms	Payments under Russian regulation for rail transport	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Providing telephone services to Nizhnevartovsk and Surgut stations	17,865 rubles a month – monthly subscription payment as per tariffs excluding VAT	From 31 December 2010, extended indefinitely. Conditions of Agreement extend to parties' relations began on 1 April 2010.	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Providing telephone services to Nizhnevartovsk and Surgut stations	19,125 rubles a month – monthly subscription payment as per tariffs excluding VAT	From 31 December 2010, extended indefinitely. Conditions of Agreement extend to parties' relations began on 7 April 2010.	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Sublease of land plot (44,873 square meters) at Nizhnevartovsk station	66.60 rubles a year (including VAT)	31 December 2052	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Sverdlovsk PRMZ Rempumash	Feasibility study	As calculated	31 December 2010	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for heating costs at Russian Railways property at the address: Omsk, Ulitsa Relsovaya, 22	4,201.66 rubles a month (including VAT)	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Monthly servicing of thermal energy meters used for commercial purposes at AKP Bazaikha (Krasnoyarsk, Ulitsa Ryazanskaya, 12)	2,699.77 rubles (including VAT)	31 December 2010	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Sale of hardware (three decommissioned containers)	18,828 rubles (including VAT)	Upon services provided	Board meeting of 18 November 2009 Minutes no. 10	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Loading/unloading containers to and from the rolling stock and vehicles, and the organization of import/export of containers by road, as well as for storage of empty containers	None	Active from signing to 31 December 2010, extends to parties' relations from 1 July 2010	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Additional Agreement	Russian Railways	Providing local telephone connection and access to the network operator. Internal telephone service and long-distance automatically available or through telephone operator at: Samara, Ulitsa Lva Tolstova, 131	76,178.44 rubles a month (including VAT)	From signing, Agreement extends to parties' relations from 1 March 2010	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of property (14.84 square meters) at the address: Ulyanovsk, Ulitsa Lokomotivnaya, 100	4,132.43 rubles a month (including VAT)	From signing to the end of the Agreement's term	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of property (23.8 square meters) at the address: Ufa, Ulitsa K. Marxa, 69	20,467 rubles a month (including VAT)	From signing to the end of the Agreement's term	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property (86.5 square meters) at address: Kurgan Region, Kurgan, Ulitsa Omskaya, 177	14,493.94 rubles a month (including VAT)	For 11 months from date of signing. If property is used after the expiration of the Agreement, the Lease Agreement is extended indefinitely, absent any objections by the lessee.	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property (20.6 square meters) at the address: Chelyabinsk Region, Miass, Miass 1 station	5,974 rubles a month (including VAT)	For 11 months from date of signing. If property is used after the expiration of the Agreement, the Lease Agreement is extended indefinitely, absent any objections by the lessee.	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Sublease of land plot at the address: Magnitogorsk, Magnitogorsk freight station	36,952.63 rubles a month (excluding VAT)	For the term of the Agreement	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Loading/unloading containers on and off rolling stock and vehicles, as well as the import/export of containers	In accordance with road transport rates indicated in the Agreement	From signing until 31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	1,000,000 rubles (including VAT)	20 May 2011	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for supplying cold water and sanitation to non-residential rooms: nos. 13, 22 on the 2nd floor, and 19, 20, 32, 33 on the 3rd floor (total area: 86.5 square meters) of the administration building at the address: Kurgan Region, Kurgan, Ulitsa Omskaya, 177	2,363.72 rubles a month (including VAT)	Until return of property to the owner under the Lease Agreement of Russian Railways property no. NRI-2TK/A dated 1 January 2010. Extends to parties' relations from 1 January 2010.	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing heating in non-residential property no. 3 (total area: 20.6 square meters) in the technical service building at the address: Chelyabinsk Region, Miass, Miass 1 station	Approximately 14,587.28 rubles (including VAT) from 1 January 10 to 31 December 10	From signing until 31 December 2010. Conditions of Agreement extend to parties' relations from 1 January 2010.	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Lease for temporary use of non-residential property at the address: Irkutsk, Batareynaya station	16,145.06 rubles (including VAT)	For 11 months from date of signing	Board meeting of 19 May 2010 Minutes no. 19	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Sublease of land plot at the address: Perm, Ulitsa Dokuchayeva 59:01:07 192 31:1	101.19 rubles a year (including VAT)	24 June 2010 - 2 March 2059	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Sublease of land plot at the address: Perm, Ulitsa Dokuchayeva 59:01:07 15 069:1	40.09 rubles a year (including VAT)	24 June 2010 - 2 March 2059	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of office space at the address: Yekaterinburg, Ulitsa Chelyuskintsev, 7	None	For the term of the Agreement	Board meeting of 19 May 2010 Minutes no. 19	Russian Railways; TransCreditBank; Baminvest
Annulment of Agreement	Russian Railways	Sublease of land plot at Nizhnevartovsk station	None	None	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance expenses relating to a property at Surgut, Ulitsa Privokzalnaya	5,170.98 rubles a month (including VAT)	20 June 2010 - 1 June 2011	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Maintenance of fiber-optic lines	None	For the term of the Agreement	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Planned repairs for freight cars	None	For the term of the Agreement	Board meeting of 15 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulation of interactions between Russian Railways and TransContainer	None	For the term of the Agreement	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Providing information services in accordance with Appendix 1	None	For the term of the Agreement	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	TransContainer - Slovakia	Interest-free loan	None	For the term of the Agreement	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Subleasing Agreement	None	30 June 2010	Board meeting of 22 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest
Agreement	JSC NIIS	Research the development of flexi-tank technology for transportation of liquid cargo	2,360,000 rubles, (including VAT)	Until obligations have been carried out in full	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Lokomotiv Football Club	VIP box seat no. 2	4,761,875 rubles (including VAT)	31 December 2010	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Issuance of securities	Basic 0.30% fee of the value of the outstanding bonds, and additional 0.04% fee of the nominal bond value	Indefinitely	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	JSC NIIAS	Providing technical support for operational control system, which calculates payments for freight shipments	1,800,000 rubles (including VAT)	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property at the address: Moscow, Ulitsa Krylatskaya, 40, Building 1, Apartment 405	20,000 rubles a month (including VAT)	Unspecified	Board meeting of 12 May 2010 Minutes no. 18	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property at the address: Moscow, Ulitsa Krylatskaya, 40, Building 25, Apartment 106	19,300 rubles a month (including VAT)	Unspecified	Board meeting of 12 May 2010 Minutes no. 18	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property at the address: Moscow, Ulitsa Krylatskaya, 40, Building 25, Apartment 110	38,000 rubles a month (including VAT)	Unspecified	Board meeting of 12 May 2010 Minutes no. 18	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property at the address: Moscow, Ulitsa Krylatskaya, 40, Building 72, Apartment 211	35,900 rubles a month (including VAT)	Unspecified	Board meeting of 12 May 2010 Minutes no. 18	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property at the address: Moscow, Ulitsa Krylatskaya, 40, Building 72, Apartment 304	14,000 rubles a month (including VAT)	Unspecified	Board meeting of 12 May 2010 Minutes no. 18	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Serving as an agent in the acquisition of equity securities at an auction held by MICEX	1,000 rubles + VAT + overheads	31 December 2010 until obligations have been carried out in full	Board meeting of 19 May 2010 Minutes no. 19	Russian Railways; TransCreditBank; Baminvest
Agreement on the transfer of rights and obligations	Russian Railways	Leasing Agreement	495,280,955.18 rubles (including VAT)	Until obligations have been carried out in full	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Yamal Railway Company	Interaction relating to cargo transportation by rail	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russkaya Troika	Commissioning legal support and other actions that provide services to rail shipping and forwarding organizations	As per rates agreed upon by parties	31 December 2010, automatic extension	Board meeting of 21 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Agreement protecting commercial secrets	None	29 April 2015	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Sublease of land plot (total area: 24,935 square meters) at the address: Kaliningrad, Ulitsa Portovaya, 27a	205.80 rubles a year (including VAT)	31 December 2052	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Federal Passenger Company	Feasibility study	As calculated	31 December 2010	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010	Board meeting of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of property (15.3 square meters) at the address: Oryol, Privokzalnaya Ploshchad, 1 – in a change to the original Agreement	82,833.19 rubles a year (including VAT)	1 September 2010	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Additional Agreement	Russian Railways	Lease of property (72.9 square meters) at the address: Bryansk-Lgovsky, Ulitsa 2nd Alleya, 8	283,353.02 rubles a year (including VAT)	1 September 2010	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of property (20.1 square meters) at the address: Oryol, Privokzalnaya Ploshchad, 3	114,270.72 rubles a year (including VAT)	1 September 2010	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of property (15.8 square meters) at the address: Kursk, Ulitsa Statsionnaya, 13, commodity office, Kursk station	102,330.77 rubles a year (including VAT)	1 September 2010	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Payment for drinking water from central water supply and use of sewage systems at the address: Moscow, Ulitsa Dubininskaya, 63, Building 10	As per rates in Appendix 1	7 September 2010 - 31 December 2010. Extends to parties' actions from 1 August 2009, automatic extension.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Payment for drinking water from central water supply and use of sewage systems at the address: Moscow, Ulitsa Dubininskaya, 63, Building 17	As per rates in Appendix 1	Effective 7 September 2010 for the term of the Lease Agreement no. TsRIA/4/A/0311010000/07/001473 dated 21 June 2007. Extends to parties' actions from 1 August 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Payment for drinking water from central water supply and use of sewage systems at the address: Moscow, 2nd Paveletsky Proyezd, Building 9	As per rates in Appendix 1	Effective 7 September 2010 for the term of the Lease Agreement no. TsRIA/4/A/0311010000/07/001474 dated 21 June 2007. Extends to parties' actions from 1 August 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Payment for drinking water from central water supply and use of sewage systems at the address: Moscow, Ulitsa Dubininskaya, 63, Building 7	As per rates in Appendix 1	Effective 7 September 2010 for the term of the Lease Agreement no. TsRIA/4/A/0311010000/07/001368 dated 21 June 2007. Extends to parties' actions from 1 August 2009.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Payment for drinking water from central water supply and use of sewage systems at the address: Moscow, Ulitsa Dubininskaya, 63, Building 28	As per rates in Appendix 1	From 7 September 2010 to 31 December 2010. Extends to parties' actions from 1 August 2009. Agreement will continue throughout the next calendar year.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance expenses for property (6 square meters) at the address: Chuvashia Republic, Cheboksary, Cheboksary station	1,221.22 rubles a month (including VAT)	For the term of the Lease Agreement no. 255 dated 17 September 2007	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance expenses relating to a property at the address: Mari El Republic, Yoshkar-Ola, Ulitsa Yanalova, 5	447.77 rubles a month (including VAT)	For the term of the Lease Agreement no. 718 dated 6 June 2008	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways Health	Providing health resort services	In accordance with Appendix 1	31 December 2010	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Purchase and sale of trips to youth health camps	No more than 105,000 rubles (not subject to VAT)	31 December 2010	Board meeting of 16 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Telecommunication services	None	Until obligations have been carried out in full	Board meeting of 16 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Telecommunication services	2,360 rubles a month (including VAT)	31 December 2010, automatic extension	Board meeting of 16 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Telecommunication services	In accordance with Appendix 1	31 December 2010, automatic extension	Board meeting of 16 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest
Agreement	Volgatranstelecom	Reimbursement for costs relating to maintaining a property as per a Lease Agreement with Volgatranstelecom	16,270.94 rubles (including VAT)	For term of the Lease Agreement, extends to parties' relations from 1 April 2010	Board meeting of 3 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease for property at the address: Saratov Region, Engels, Ulitsa Chekhov, Anisovka station	108,566.12 rubles (including VAT)	For the term of the Agreement	Board meeting of 21 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease for property at the address: Saratov, Ulitsa Beloglinskaya, 117	319,102.62 rubles (including VAT)	For the term of the Agreement	Board meeting of 21 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease for property at the address: Saratov, Trofimovsky 2 station	203,677.10 rubles (including VAT)	For the term of the Agreement	Board meeting of 21 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Buying and selling trips for vacations	63,052 rubles (excluding VAT)	From signing until 31 December 2010, extends to activities from 10 June 2010	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Volgatranstelecom	Providing telecommunications services across a data network	18,000 rubles, in addition to a monthly payment of 4,500 rubles (including VAT)	Effective until 31 December 2010. Extends to parties' relations from 1 April 2010, automatic extension.	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Agreement	Volgatranstelecom	Providing voice transmission across a data network	15,000 rubles, in addition to a monthly payment of 1,600 rubles (including VAT)	Effective until 31 December 2010. Extends to parties' relations from 1 April 2010, automatic extension.	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing hot water	8,802.85 rubles (including VAT)	From signing until 31 December 2010	General Meeting of Shareholders of 30 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing delivery of tap water and disposal of waste water	6,227.81 rubles (including VAT)	From signing until 31 December 2010	General Meeting of Shareholders of 30 June 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Operating container terminals	None	From signing until 31 December 2010	Board meeting of 21 July 2010 Minutes no. 2	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Buying and selling one three-tonne container and six five-tonne containers derived from the rolling stock	60,174.10 rubles	31 December 2010	Board meeting of 21 July 2010 Minutes no. 2	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Loading/unloading containers on and off rolling stock and vehicles, as well as the import/export of containers	As per the rates outlined in the Agreement	From signing until 31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Heating for non-residential space leased to accommodate office space in rooms 13 and 22 on the 2nd floor and rooms 19, 20, 32, and 33 on the 3rd floor (86.5 square meters) in the administrative building located at the address: Kurgan Region, Kurgan, Ulitsa Omskaya, 177	14,950.03 rubles (including VAT) from 1 January 2010 to 31 November 2010	31 November 2010. Agreement will be continued, absent objections from the lessee. Conditions extend to parties' relations from 1 January 2010.	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Federal Passenger Company	Feasibility study	212,400 rubles (including VAT)	31 December 2010	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Zheldorremmash	Feasibility study	As per calculation	13 July 2010 - 13 July 2011 inclusive	Board meeting of 22 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of expenses for maintenance and utilities	3815,58 rubles (including VAT)	31 December 2010, extends to parties activities from 1 January 2009	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Purchase of tickets to youth health camp Sibiryak	42,900 rubles (excluding VAT)	Upon fulfillment of duties	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Energy consumption for hot water (AKP Blagoveshchensk)	Up to 1,000,000 rubles	15 May 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Water consumption	Up to 1,000,000 rubles	31 December 2009, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Sublease of a land plot at the address: AKP Zabaikalsk district, 7th transshipping area	307.06 rubles a year (including VAT)	28 April 2058	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Loading/unloading containers from TransContainer's terminal in Yuzhno-Sakhalinsk	In accordance with rates in the Agreement's Appendices	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Purchase of tickets to youth health camp Young Rail Worker	49,272 rubles (excluding VAT)	Upon fulfillment of duties	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Shipping canned fish under special terms	None	31 December 2010	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Purchase of tickets to youth health camp Narechnoye	47,500 rubles (excluding VAT)	31 December 2010	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Sublease for a portion of a land plot at the address: Primorye Region, Pereulok Spassky, 7a	59.69 rubles a year (including VAT)	29 December 2053	Board meeting of 18 November 2009 Minutes no. 10	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Transport of frozen fish, including herring fillets in large specialized thermally insulated containers, which use the prefix, TKRU, under special terms	None	1 November 2010 - 31 March 2011	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Providing heating through the heating/cooling system to the property at the address: Nizhny Novgorod Region, Shakhunya, Ulitsa Depovskaya (in accordance with Appendix 3)	As per rates agreed to within the terms of the Agreement	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing storage for empty containers	In accordance with Appendices 1 and 2 of the Agreement	Until obligations have been carried out in full	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Purchase/sale of hardware	39,258.25 rubles (including VAT)	Until obligations have been carried out in full	Board meeting of 22 April 2010 Minutes no. 17	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As per rates indicated in the Agreement	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As per rates indicated in the Agreement	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As per rates indicated in the Agreement	31 December 2010, automatic extension	Board meeting of 15 December 2010 Minutes no. 8	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of costs relating to maintaining leased Russian Railways property at the following addresses: Khabarovsk Region, Khabarovsk, 3rd Pereulok Putevoi, 8; and Primorye Region, Ussuriisk, Pereulok Spassky, 7; and Primorye Region, Vladivostok, Vladivostok, Ulitsa Snegovaya, 54; and Primorye Region, Vladivostok, Ulitsa Amurskaya, 88	Utility costs are determined by the service providers' fees (approved by the Regional Energy Commission) and the subscribers' consumption. Expenses for leased property are determined in accordance with prices agreed upon in the Agreement (Appendix 1)	From signing until 31 December 2010. Conditions of the Agreement extend to the parties' relations from 18 December 09. The Agreement shall be automatically extended if neither party has announced its cancellation one month before its expiration.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Purchase/sale of property (crane runway, common work zone: 2,920.9 square meters)	8,774,000 rubles (including VAT)	Until obligations have been fulfilled in full	Board meeting of 27 March 2009 Minutes no. 39	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property: police station (192.8 square meters) at the address: Vladivostok, Pereulok Trudovoi, 13a	1,512,288 rubles a year (including VAT)	Indefinitely	Board meeting of 3 March 2010 Minutes no. 15	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Planned repairs for freight cars	None	For the term of the Agreement	Board meeting of 21 July 2010 Minutes no. 2	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Nizhny Novgorod customs duties	In accordance with fees and commissions, bank guarantee valued at 9,000 rubles (including VAT)	21 April 2011	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Tatarstan customs duties	In accordance with fees and commissions, bank guarantee valued at 7,340 rubles (including VAT)	21 April 2011	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	TransCreditBank	Handling of bonds by the issuer	50,000 rubles monthly	Until 20 May 2011 (one year)	Board meeting of 19 May 2010 Minutes no. 19	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Issuance of bank guarantees for Moscow customs	In accordance with fees and commissions, bank guarantee valued at 3,520,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Issuance of bank guarantees for Moscow customs	In accordance with fees and commissions, bank guarantee valued at 4,404,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Issuance of bank guarantees for Rostov-on-Don customs	In accordance with fees and commissions, bank guarantee valued at 3,397,130 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Issuance of bank guarantees for Irkutsk customs	In accordance with fees and commissions, bank guarantee valued at 4,346,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways Health	Providing spa resort services (spa resort Radon)	In accordance with price list	31 December 2010, automatic extension	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russkaya Troika	Providing the customer with rolling stock for the transportation of goods to specified destinations	As calculated	31 December 2010, automatic extension	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulation of mutual relations regarding maintenance wagons	None	For the term of the Agreement	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulation of mutual relations regarding maintenance wagons	None	For the term of the Agreement	Board meeting of 15 September 2010 Minutes no. 5	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Organizing children's vacations	107,600 rubles (including VAT)	Until obligations have been carried out in full	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulating interaction between Russian Railways and TransContainer at container terminals owned by TransContainer	None	For the term of the Agreement	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Leasing of medium-tonnage containers from TransContainer	None	For the term of the Agreement	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulating interaction between Russian Railways and TransContainer at Russian Railways container terminals	None	For the term of the Agreement	Board meeting of 14 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest

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Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Services and works related to the organization and implementation of the transportation process on rail and other modes of transport (including freight forwarding services, delivery/pick up, handling, container and cargo storage), organizing shipping containers and cargo (including special terms), trucking, developing manuals for loading and securing cargo, making modifications to requested technical specifications	As per rates	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Managing the collection, transfer, counting and crediting of cash deposits	Collection: 230 rubles, at arrival: 0.05% fee of amount transported, for counting: 0.1% fee for recalculation of amount, temporary storage: 500 rubles a month, plus VAT	Indefinitely	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for utility and maintenance costs of leased Russian Railways property (33 square meters) at the address: (214001, Smolensk, Ulitsa Novo-Moskovskaya, 1	As per rates indicated in Appendices 1 and 2	From 1 December 2009 until the end of Lease Agreement no. TsRIA/4/A/0311010000/07/001830 dated 31 July 2007	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for utility and maintenance costs of leased Russian Railways property (18.7 square meters) at the address: Kaluga, Ulitsa Lenina, 4, Building 1	3,389.75 rubles a month (excluding VAT); operating costs: 40,677 rubles a year (excluding VAT), or 624.32 a month (excluding VAT); electricity: 7,491.84 rubles a year	3,389.75 rubles a month (excluding VAT); operating costs: 40,677 rubles a year (excluding VAT), or 624.32 a month (excluding VAT); electricity: 7,491.84 rubles a year	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of non-residential property (11 square meters) no. 28 located on the first floor of the Tula administration building, which has special characteristics outlined in Appendix 1 of the Agreement. It is located at the address: 300600, Tula, Ulitsa Privokzalnaya, 5-6, used for office space.	67,188 rubles a year (including VAT)	From 1 December 2010 indefinitely. Conditions of the Agreement extend to parties' relations from 1 March 2009.	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Offering the Customer use of property (105.7 square meters) at the address: Moscow, Ulitsa Molodogvardeyskaya, 65, Building 3, used on the basis of the Agreement, leasing Russian Railways property no. TsRIA/4/A/2898/10/000168 dated 1 February 2010. Communicating with the Moscow-Savyolovskaya division of Russian Railways Moscow branch to extend electrical access to utility consumers at the property	Prices to be determined by service provider rates and resource consumption readings by their personnel.	From 7 December 2010 to 31 December 2010. Extends to the parties' relations from 1 March 2010.	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Sublease of a land plot (Kostarikha), with a total area of 77,733.62 square meters, located at: Nizhny Novgorod, Kanavinsky district, Ulitsa Aktyubinskaya, 17. And a developed plot, which is a part plot (cadastral no. 52:18:03 00 00:0004), occupying a total area of 2,069,583 square meters, located at: Nizhny Novgorod, Kanavinsky district, Gorky-Kirov route, Section 2, for the operation and maintenance of railway tracks and facilities.	245.48 rubles a year (including VAT)	Indefinitely	Board meeting of 19 May 2010 Minutes no. 19	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Agreement defines the procedures for accepting payment cards for cashless payments for goods and services, as well as the payment procedures between the bank and business using such cards	TransCreditBank charges a commission from the Business in accordance with "Rates" (Appendix 1 of Agreement) for calculating transactions made with cards at retail/service outlets.	Indefinitely	Board meeting of 20 January 2010. Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property at the address (29.4 square meters): Kirov, Ulitsa Melnichnaya, 2A	9,114 rubles a month (including VAT)	29 November 2011. If the lessee continues to use the property after expiration, the Lease Agreement is renewed on the same terms indefinitely, absent any objections by the lessee.	Board meeting of 15 December 2010 Minutes no. 8	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	As calculated	31 December 2010	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Sublease of land plot (26,919.34 square meters)	139.98 rubles a year	Indefinitely	Board meeting of 19 May 2010 Minutes no. 19	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property no. 219 (17 square meters) on the second floor of the TTsFTO administration building at the address: Rostov-on Don, Privokzalnaya Square,	90270	For 11 months from date of signing	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property no. 219 (17 square meters) on the second floor of the TTsFTO administration building at the address: Rostov-on Don, Privokzalnaya Square, 1/2	90,270	For 11 months from date of signing	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property nos. 179 and 180 (19.80 square meters) on the fourth floor of administrative building no. 2, Mineralovodsky department, at the address: Stavropol Region, Mineralniye Vody, Ulitsa Lenina, 12	108,987.12	Indefinitely	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest

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Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Reimbursement for maintenance expenses relating to the use of premises at the address: Tambov Region, Michurinsk, Ulitsa Krasnaya, Freight Yard	As per services rendered in the amount specified in Appendix 1	Within the term of the lease	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance expenses relating to space used at the address: Tambov Region, Tambov, Ulitsa Klubnaya, Freight Yard	As per services rendered in the amount specified in Appendix 1	Within the term of the lease	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Services relating to cargo transportation	As per services rendered in the amount specified in Appendix 1	31 December 2010	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property at the address: Voronezh, Ulitsa Volgogradskaya, 48m	21,341.19 rubles a month (including VAT)	20 September 2011	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property at the address: Lipetsk, Right Bank	6,845.67 rubles (including VAT)	20 September 2011	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Annulment Agreement	Russian Railways	Lease of property at the address: Volgograd, Voroshilovsky district, Volgograd 2 station	45,057.83 rubles (including VAT)		Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of telegraph services	As per Russian Railways rates	From signing until 31 December 2010, with the option of extension	Board meeting of 17 November 2010 Minutes no. 7	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of telegraph services	As per Russian Railways rates	From signing until 31 December 2010, with the option of extension	Board meeting of 17 November 2010 Minutes no. 7	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of telegraph services	As per Russian Railways rates	From signing until 31 December 2010, with the option of extension	Board meeting of 17 November 2010 Minutes no. 7	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of telegraph services	As per Russian Railways rates	From signing until 31 December 2010, with the option of extension	Board meeting of 17 November 2010 Minutes no. 7	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of telegraph services	As per Russian Railways rates	From signing until 31 December 2010, with the option of extension	Board meeting of 12 December 2010 Minutes no. 8	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Provision of telegraph services	As per Russian Railways rates	From signing until 31 December 2010, with the option of extension	Board meeting of 15 December 2010 Minutes no. 8	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance expenses relating to Russian Railways property (10.3 square meters) at the address: Volgograd Region, Volzhsky, Volzhsky station	Approximately 1,297.02 rubles a year (including VAT)	Indefinitely. Conditions of Agreement extend to parties' relations from 1 November 2010.	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Reimbursement for maintenance expenses relating to Russian Railways property located at Volgograd Region, Volzhsky, Volzhsky station	Approximately 3,340.4 rubles a year (including VAT)	Effective after signing until expiration of Agreement	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Zheldorrem mash	Feasibility study	None	31 December 2010	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Federal Passenger Company	Feasibility study	15,000 rubles (including VAT)	31 December 2010	Board meeting of 22 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Additional Agreement	Russian Railways	Feasibility study	None	31 December 2010	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Zheldorremmash	Feasibility study	None	31 December 2010	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Zheldorremmash	Feasibility study	1,246,800 rubles from 1 August 2009 to 31 December 2009; 2,100,000 rubles from 1 January 2010 to 31 December 2010	31 December 2010	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways Construction	Feasibility study	None	31 December 2010	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Elteza Volgograd Foundry and Mechanical Plant	Feasibility study	None	31 December 2010	Board meeting of 17 February 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Zheldorremmash	Feasibility study	None	31 December 2010	Board meeting of 15 December 2010 Minutes no. 8	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of property (part of a paved lot, total area: 200 square meters) at the address: Samara, Ulitsa Rylskaya, Bezmyanka station	7,788 rubles a month (including VAT)	Indefinitely	Board meeting of 21 July 2010 Minutes no. 2	Russian Railways, TransCreditBank; Baminvest
Agreement	Russian Railways	Delivery of containers excluded from the active inventory	70,448 rubles (including VAT)	From signing until fulfillment of obligations	Board meeting of 17 November 2010 Minutes no. 7	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Purchase/sale of property	2,711,000 rubles (including VAT)	From signing until fulfillment of obligations	Board meeting of 30 December 2009 Minutes no. 12	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Purchase/sale of property	1,771,000 rubles (including VAT)	From signing until fulfillment of obligations	Board meeting of 30 December 2009 Minutes no. 12	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Provision of services to cardholders in trade and service enterprises	2% of transaction amount, as per the Appendix	Indefinitely	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing for delivery and pick-up of containers from Sverdlovsk-Tovarny station	In accordance with price list	Until 30 September 11	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing heating and water utilities to AKP Blochnaya	25,524.17 rubles a month (including VAT)	31 December 2011	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance costs relating to a property at the address: Tyumen, Ulitsa Respubliki, 254, Building 1	1,005.45 rubles a month (including VAT)	1 January 2010 - 31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance costs relating to a property at the address: Tyumen, Ulitsa Respubliki, 254, Building 1	302.21 rubles a month (including VAT)	1 January 2010 - 31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest

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Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Reimbursement for maintenance costs relating to a property at the address: Tyumen, Ulitsa Klary Tsetkin, 14	7,854.42 rubles (including VAT) for the entirety of the Agreement term	21 June 2010 - 1 June 2011	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for maintenance costs relating to a property at the address: Perm Region, Beryozniki, Beryozniki station 205 km PK+9+00	236.23 rubles a month (including VAT)	1 June 2010 - 31 May 2011	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing heating and water utilities for AKP Blochnaya	25,392.93 rubles a month (including VAT)	31 December 10	General Meeting of Shareholders of 23 June 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for operating expenses relating to the heating system at AKP Blochnaya	58,256.28 rubles a month (including VAT)	31 December 10	General Meeting of Shareholders of 23 June 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Annulment Agreement	Federal Passenger Company	Lease for property at the address: Yekaterinburg, Ulitsa Chelyuskintsev, 7	None	1 September 10	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Setting procedures for accepting payment cards for cashless payments for goods and services, as well as the payment procedures between the bank and business using such cards	TransCreditBank's commission for operating pay cards will not exceed 2% of the total amount paid out with the cards, and in 2010-11, this commission will not exceed 100 million rubles gross	Indefinitely	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Setting procedures for accepting payment cards for cashless payments for goods and services, as well as the payment procedures between the bank and business using such cards	TransCreditBank's commission for operating pay cards will not exceed 2% of the total amount paid out with the cards, and in 2010-11, this commission will not exceed 100 million rubles gross	Indefinitely	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Loading/unloading containers on and off rolling stock and vehicles, as well as the import/export of containers	As per rates outlined in the Agreement	For the term of the Agreement	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Provision of heating for leased non-residential property used as office space in rooms no. 13 and 22 on the second floor and rooms no. 19, 20, 32, 33 on the third floor (86.5 square meters) of the administrative building at the address: Kurgan Region, Kurgan, Ulitsa Omskaya, 177	3,200.17 rubles (including VAT) from 1 December 2010 until 31 December 2010	For the term of the Agreement	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Providing heating for leased non-residential property used for office space in rooms no. 13, 22, 15, 16, 19, and 20 on the second floor and rooms no. 37, 19, 20, 32, 33 on the third floor (47.9 square meters) of the administrative building at the address: Kurgan Region, Kurgan, Ulitsa Omskaya, 177. Heating is also provided in rooms nos. 6-8 on the third floor of the administrative building of the Orsky Goods Yard located at the address: Orenburg, Ulitsa Nevelskaya, 10a	48,004.70 rubles (including VAT)	From 1 January 2011 to 31 December 2011, automatic extension	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing connection to and maintenance of equipment	9,140.34 rubles a month (excluding VAT)	3 December 2011 automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Arranging spa resort treatments, as well as weekend retreat to spa complex Alyonushka and health clinic Volna	Approximately 200,000 rubles (including VAT), depending on type of services	From 1 January 2011 until 31 December 2011 inclusive	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Arranging summer vacation and youth health camps	Approximately 450,000 rubles, not subject to VAT	From 1 January 2011 to 31 December 2011 inclusive	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Loading and unloading containers on rolling stock and vehicles, as well as organizing the import/export of containers	In accordance with road transport rates indicated in the Agreement	From 1 January 2011 to 31 December 2011	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	16,619.71 rubles (including VAT)	31 December 2010	General Meeting of Shareholders of 14 September 2010 Minutes no. 14	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Serving card holders in retail and services business	2% commission per transaction	Indefinitely	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Serving card holders in retail and services business	2% commission per transaction	Indefinitely	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Serving card holders in retail and services business	2% commission per transaction	Indefinitely	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for administrative costs and utilities	In accordance with Appendices	31 July 2011	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing operational, administrative and economic services relating to maintaining non-residential property	According to set prices	Until annulment of Agreement	Board meeting of 23 June 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Supply of drinking water and disposal of waste water	According to set prices	31 December 2010	Board meeting of 23 June 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Managing and calculating the use of payment cards between the bank and business	According to set prices	Indefinitely	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest

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Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	Leasing for temporary possession and use of non-residential property at the address: Irkutsk, Batareynaya station	7,373.08 rubles a month (including VAT)	For 11 months after signing	Board meeting of 17 November 2010 Minutes no. 7	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Feasibility study	Upon services rendered	31 December 2010, automatic extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Services relating to the organization of container trains	45,997 rubles per container shipment	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Carrying out work associated with the transportation of container cargo	According to prices agreed (Appendix 5)	From signing (21 January 2010) until termination of Agreement no. DM-11/NKP-99 dated 7 February 2007. Agreement extends to parties' relations from 28 March 2009.	Board meeting of 20 January 2010 Minutes no. 13	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	For transporting cargo in containers	As per the protocol agreement price, in Appendix no. 2 of Agreement no. DM-11/NKP-99 from 7 February 2007	From signing (21 January 2010), effective until the termination of Agreement no. DM-11/NKP-99 from 7 February 2007. The Agreement extends to the parties' relations from 1 December 2008.	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	For transporting cargo in containers	As per the rates set in the supplemental agreement	From signing (21 January 2010), effective until the termination of Agreement no. DM-11/NKP-99 from 7 February 2007. The Agreement extends to the parties' relations from 1 August 2008.	Board meeting of 18 March 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	For transporting cargo in containers	As per the rates set in the supplemental agreement	From signing (21 January 2010), effective until the termination of Agreement no. DM-11/NKP-99 from 7 February 2007. The Agreement extends to the parties' relations from 5 April 2010.	Board meeting of 21 July 2010 Minutes no. 2	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	For transporting cargo in containers	Determined by the price of the services provided. As per prices set in the supplemental rate agreement.	From signing (21 January 2010), effective until the termination of Agreement no. DM-11/NKP-99 from 7 February 2007. The Agreement extends to the parties' relations from 5 April 2010.	Board meeting of 21 July 2010 Minutes no. 2	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Transport of frozen fish, including herring fillets in large specialized thermally insulated containers, which use the prefix, TKRU, under special terms	Not available	From signing by both parties	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	For the use of TransContainer wagons at reloading	Not stipulated by the Agreement	31 December 2010, automatic extension	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Delivery of outbuildings from sites of decommissioned medium-duty containers UUK-5	229,680 rubles (including VAT)	31 December 2010	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Delivery of outbuildings from sites of decommissioned medium-duty containers UUK-3	260,550 rubles (including VAT)	31 December 2010	Board meeting of 16 June 2010 Minutes no. 21	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease (temporary ownership and usage for a fee) of real estate located at 606912, Nizhny Novgorod Region, Shakhunya, Depovskaya Ulitsa, 10, which includes: container platform no. 1 (3,341.80 square meters). Identification number: 52-52-21/006/2007-332.	68,228.42 rubles (including VAT), 10,407.73 rubles a month	20 September 2011	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of part of a container platform (36 square meters) at Sarepta station	2,197.44 rubles a month (including VAT)	From signing, effective for the period of the Agreement	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Agreement for paying salaries and other payments	0.4% of the total of salary payments and other payments	From signing for two years with extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank in Samara	Agreement on cooperation for issuing bank cards	None	From signing and for the effective period of the Agreement KU-744/ur (no. 218-C)	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	For services (reimbursement for electricity and maintenance costs of leased property)	1,888.87 rubles a month (including VAT)	From signing until 31 December 2010 with extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	For paying salaries and other payments	0.4% of the total of salary payments and other payments	From signing for two years with extension	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Providing services for maintaining leased properties at: Penza Ulitsa, Chaadeva, 66	170,614.69 rubles (including VAT)	From signing until obligations have been carried out in full	General Meeting of Shareholders of 30 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of expenses for maintaining properties	1,748.19 rubles (including VAT)	From 1 March 2010 until 28 February 2011	General Meeting of Shareholders of 30 June 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	TransCreditBank ROSINKAS SB RF	Collecting cash proceeds	None	From 1 January 2010 for the term of the Agreement KU-6/ur	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	TransCreditBank	Opening and maintaining a ruble account	0.1% a year on the daily account balance	For the term of the Agreement (KU-81a/ur)	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Public services		From moment of signing	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways	The registration of international communication transport documents for returning empty cars belonging to TransContainer from the Manchuria station to Russia	347 rubles per car (excluding VAT)	31 December 2010	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Lease of non-residential facilities (10.3 square meters) at the address: Volgograd Region, Volzhsky, Volzhsky station (Parmonaya)	1,874.6 rubles a month (including VAT)	Valid for 11 months from the date of signing, extends to activities from 1 March 2010	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Provision of container collection and delivery services at the Sverdlovsk-Tovarny station	List price (Appendix 2)	19 December 2010 - 28 February 2011	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement of operating costs for maintaining heating networks in AKP Blochnaya	63,985.10 rubles a month (including VAT)	31 December 2011	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways	Reimbursement for AKP district heating facilities at the Nizhnevartovsk station	According to Tariffs set by the Khanty-Ugra Regional Tariff Service of Khanty-Ugra. The cost of 1 Gcal in 2010 was 872.60 rubles (excluding VAT) and 1Gcal of heat in 2011 cost 933 rubles (excluding VAT).	1 September 10 - 31 August 11	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulation of relations between Russian Railways and TransContainer at Russian Railways terminal containers	None	For the term of the Agreement	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulation of relations between Russian Railways and TransContainer at Russian Railways terminal containers	None	For the term of the Agreement	Board meeting of 11 August 2010 Minutes no. 3	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of medium-duty containers from TransContainer	None	For the term of the Agreement	Board meeting of 21 December 2010 Minutes no. 16	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Lease of medium-duty containers from TransContainer	None	For the term of the Agreement	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Regulation of relations between Russian Railways and TransContainer	None	For the term of the Agreement	Board meeting of 15 December 2010 Minutes no. 8	TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Provision of comprehensive information service to the owner of rolling stock	None	For the term of the Agreement	Board meeting of 15 December 2010 Minutes no. 8	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	JSC Roszheldorproyekt	Development of construction design documents for the "Reconstruction of the agent's container Oterminal at TransContainer's Bazaikha branch station on the Krasnoyarsk railway. Working draft."	895,940.96 rubles (including VAT)	For the term of the Agreement	Board meeting of 22 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Additional Agreement	Russian Railways	Lease agreement	None	For the term of the Agreement	Board meeting of 22 June 2010 Minutes no. 22	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Lokomotiv Football Club	VIP box no. 2	None	For the term of the Agreement	Board meeting of 20 October 2010 Minutes no. 6	Russian Railways; TransCreditBank; Baminvest
Agreement	JSC NIIAS	Work on the draft "Resolution on the Organization and Conditions of Transporting Goods of Russian Railways in Large Refrigerated Containers"	4,750,000 rubles (including VAT)	Until obligations have been carried out in full	General Meeting of Shareholders of 15 September 2009	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Saratov customs duties	As per tariff and commission rates; bank guarantee – 3,196,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Yekaterinburg customs duties	As per tariff and commission rates; bank guarantee – 3,196,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Yekaterinburg customs duties	As per tariff and commission rates; bank guarantee – 4,002,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Perm customs duties	As per tariff and commission rates; bank guarantee – 4,134,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Moscow customs duties	As per tariff and commission rates; bank guarantee – 5,557,900 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Magnitogorsk customs duties	As per tariff and commission rates; bank guarantee – 3,524,143 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Acting as paying agent	250,000 rubles (including VAT)	Until obligations have been carried out in full	Board meeting of 15 December 2010 Minutes no. 8	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Nizhny Novgorod customs duties	As per tariff and commission rates; bank guarantee – 4,499,450 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Trans-Baikal customs duties	As per tariff and commission rates; bank guarantee – 9,658,950 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Tatarstan customs duties	As per tariff and commission rates; bank guarantee – 4,499,450 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways Health	Health spa services (health spa Dolina Narzanov) in Nalchik	As per price list	31 December 2010, automatic extension	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways Health	Health spa services (health spa Dolina Narzanov) in Yessentuki	As per price list	31 December 2010, automatic extension	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways Health	Health spa (health spa Oktyabrsky)	As per price list	31 December 2010, automatic extension	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest

Additional information

Information on Major and Related-party Transactions

Transaction type	Parties to transaction	Subject	Price	Validity period	Body that approved the transaction	Related party
Agreement	Russian Railways Health	Health spa (health spa Dolina Narzanov) in Kislovodsk	As per price list	31 December 2010, automatic extension	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Moscow customs duties	As per tariff and commission rates; bank guarantee – 3,410,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Moscow customs duties	As per tariff and commission rates; bank guarantee – 5,344,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransCreditBank	Bank guarantee of Russian customs authorities in the region where the principal is serving as the customs carrier	As per tariff and commission rates; bank guarantee of 9,000,000 rubles	Until obligations have been carried out in full	Board meeting of 16 December 2009 Minutes no. 11	Russian Railways; TransCreditBank; Baminvest
Agreement	TransContainer Asia Pacific, Ltd	Completing legal and other activities linked to carrying out shipments and a feasibility study, at the request of the principal	As per Appendix	Effective until one or both parties decide to terminate	Board meeting of 15 December 2010 Minutes no. 8	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	JSC Insurance Company ZHASO	Voluntary health insurance	Insurance premium – 10,935,717 rubles	31 March 2011	Board meeting of 15 December 2010 Minutes no. 8	Member of the Board of Directors I Ryashchin
Additional Agreement	Russian Railways	Planned repairs for freight cars	None	For the term of the Agreement	General Meeting of Shareholders of 21 December 2010	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Russian Railways	Planned repairs for freight cars	None	For the term of the Agreement	General Meeting of Shareholders of 21 December 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	Russian Railways, Moore TransContainer, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International plc., CJSC Investment company Troika Dialog, TD Investments Limited, TKB Capital	Underwriting agreement	As per Section 9 of the Agreement	Until obligations have been carried out in full	General Meeting of Shareholders of 14 September 2010	Russian Railways; TransCreditBank; Baminvest
Agreement	WEST PORT Ltd.	Buying and selling real estate	214,233,139.56 rubles (including VAT)	Until obligations have been carried out in full	Board meeting of 18 February 2011 Minutes no. 10	Russian Railways; TransCreditBank; Baminvest
Agreement	WEST PORT Ltd.	Buying and selling of movable property	28,107,850.66 rubles (including VAT)	Until obligations have been carried out in full	Board meeting of 18 February 2011 Minutes no. 10	Russian Railways; TransCreditBank; Baminvest
Additional Agreement	Yamal Railway Company	Interaction while organizing rail freight transportation	None	For the term of the Agreement	General Meeting of Shareholders of 23 June 2010	Russian Railways; TransCreditBank; Baminvest

Additional information

Glossary

Bulk container

A container used to ship bulk loads without necessarily needing additional capacity, it has apertures for loading and unloading dry goods in bulk.

Carrier

An individual or legal entity that has assumed the obligation, under a contract, of carriage by general-use rail transport, to deliver a passenger, cargo or luggage from the point of departure to the point of destination and to hand the cargo or luggage to a party authorized to receive it (the recipient).

Consignor

An individual or a legal entity that acts on its own behalf or on behalf of the owner of freight or luggage under a contract of carriage, as indicated in the shipping document.

Consignee

An individual or legal entity that is authorized to receive the freight or cargo.

Container

Transportation equipment for shipping cargo via various means of transport. Containers are durable enough for repeated use and can be stacked. Containers are divided into medium-duty (three- and five-tonne), which conform to former Soviet Union standards and are still used for shipments in Russia and the CIS, and ISO (20- and 40-foot) containers, which are used for Russian and international shipments. The universal standard unit TEU (twenty-foot equivalent unit) was introduced to measure transport flow volumes.

Containerizable cargo

Cargo fit for transportation by container, or cargo for which containers are the best or only possible means of transportation.

Container terminal

A place equipped for the transshipment and storage of containers. A container terminal typically includes one or more container yards. Rail-based container terminals are equipped with spur tracks for loading and unloading containers to/from railroad platforms (cars).

Container train

A train consisting of flatcars loaded with containers belonging to the carrier or to third parties. A train's length and speed both comply with relevant legislation. A train is put together at its starting station and travels to its destination station without being divided en route and without any further re-consignment of the containers.

Container turnaround

The number of containers handled upon arrival and departure at a port or station over a certain period of time.

Crossover bend

An essential part of a container's design, a crossover bend is a standard mechanism for fixing containers to transportation vehicles or to other containers. Crossover bends are usually located in the lower and upper corners of a container. Twist locks or other equipment allow the container to be lifted, stacked or fixed in place.

Containers whose length is not divisible by 20 feet (such as 45-foot containers), apart from corner ones, also have an additional set of crossover bends whose lattice is the same as those of 20- and 40-foot containers. This enables the same transportation and loading equipment to be used.

Dangerous cargo

A cargo that can cause damage to property, human health or life if handled improperly. The shipment of such cargo is undertaken in accordance with special terms of transportation.

Delivery period

A period of time within which a carrier must deliver goods to a consignee and for which the carrier is responsible to the cargo owners. The delivery period includes the time necessary to transport the goods from the departure point to the destination (including its loading and unloading), to perform different associated operations and document execution. A delay in goods delivery against a set period incurs a fine payable by a carrier to a cargo owner, usually set as a percentage of carriage costs. A carrier is not required to pay a fine for delayed delivery in emergency and force majeure situations.

Door-to-door

An integrated logistics service for delivering freight directly from the warehouse of the consignor (the supplier of the goods) to the warehouse of the consignee (the recipient of the goods). As a rule, it includes not only transport by rail and delivery by road but also the handling of freight at a terminal and (if necessary) the customs clearance thereof and payment pursuant to INCOTERMS-2000. It appeared in response to freight-owners' desire for their orders to be handled by a single entity.

Empty run

Transporting an empty wagon, or an empty container on that wagon, along a set route.

Feeder service

Short-distance sea freight between two or more ports to group or distribute cargo (usually containers) in one of the ports for onward sea shipment or after such a shipment.

Feeder ship

Small ships capable of sailing in relatively shallow waters. These are used for collecting containers for the feeder ship's own route and then loading onto lead ships, or for unloading containers from lead ships for subsequently transporting containers from ocean liners on smaller routes.

Flexi-tank

A flexible polymer tank with a capacity of up to 24,000 liters that is designed to ship liquids in 20-foot containers.

Forwarder

A party that carries out or organizes transportation and forwarding services under a forwarding contract, such as organizing cargo transportation, signing cargo transportation contracts, arranging loading and delivery, etc.

Freight

A form of payment for sea transportation of cargo or the use of a ship for a certain period of time. Freight payment is determined by the volume of cargo delivered to the destination or by the volume of cargo loaded onto the ship.

Freight shipment

Freight shipped under a delivery contract. The following kinds of rail shipment exist: by car, part load, container, piggyback, route and group consignment.

Gantry crane

A gantry crane, whose bridge (superstructure) is fixed onto supports that move on rails with concrete foundations. Gantry cranes are usually used to service open (less often covered) warehouses, especially those for single cargos, containers and timber, assemble industrial and civil units, serve hydroelectric power stations, and assist in shipbuilding.

Intermodal haulage

The carriage of cargo in one format via several modes of transport, where one of the carriers undertakes to organize the entire carriage of cargo from door to door. This includes delivery to the consignee's warehouse, which can only be carried out by road.

International commercial terms

International commercial terms are international rules acknowledged by government bodies, companies and businessmen throughout the world as an interpretation of the terms most frequently used in international trade.

As a rule, international commercial terms cover the sole rights and obligations of parties under an international purchase and sale agreement relating to the delivery of goods. Each term is a three-letter abbreviation.

Isothermal container (thermos container)

A special container with insulated walls, doors, floor and roof that make it possible to maintain a constant temperature inside when transporting mainly food products.

Labeling

Signs, images and other identification marks with which containers are labeled. This helps link a cargo with its carriage documents, distinguishes one freight shipment from another, provides a means for tracking containers and describes safety measures during transportation.

Lead ship

A ship that sails between certain ports. Such ships can hold containers destined for different ports.

Logistics

The process of organizing a chain of delivery and managing that chain in the broadest sense. This chain may encompass both deliveries of raw materials needed for production and management of material resources at an enterprise, delivery to warehouses and distribution centers, sorting, handling, and final distribution at the points of consumption. In the context of transportation services, the main service is that of delivering cargo across a delivery route.

Logistics center

A territorial association of independent companies and organizations engaged in freight (transport agents, consignors, operators and customs bodies) that provides clients with related services (such as storage, maintenance and repair of containers) and has at least one terminal. The principal purpose of logistics centers in container freight logistics is to even out container flows at junctions of two or more modes of transport by grouping together containers traveling on the same route.

Memorandum bill

A bill that documents the dispatch and delivery of goods as well as freight haulage. It regulates relationships between consignor, carrier and consignee.

Netting (infrastructure service)

Routing of empty cars or containers from their place of unloading to where they will be loaded next.

Open-top container

A container loaded through the top that is used for various goods, such as heavy equipment or oversized loads

Operator

A legal entity or individual entrepreneur owning wagons and containers, or possessing them on any other basis, that participates, pursuant to a contract with a carrier, in the carriage process using the aforementioned cars and containers.

Piggyback haulage

Combined carriage by rail and road. In the AIRT system, piggyback carriage is understood to refer to carriage by rail of complete, loaded trailer trains, semi-trailers and detachable motor vehicle bodies.

Railway junction

This is usually a large rail point that handles both cargo and passenger trains and is where cars are switched between different trains. A railway junction is a complex of technologically linked marshaling yards, freight and passenger stations with main and crossover roads, bypass routes and feeder lines with passenger depots, engine houses and its own sources of electricity. A railway junction differs from a normal railway station, which performs work obligatory at all stations, such as admission and departure of passengers. A railway junction transfers transit trains from one line to another, transfers cars from one station to another within the junction and between lines within that junction (there are usually at least three lines).

Railway station

A stopping point for trains. Railway stations are called operation points because they divide the track into sections, or station-to-station blocks. Major modern stations house different equipment to help locomotives and cars function normally – engine houses, repair houses, car-washing equipment, and servicing points. Marshaling yards and loading stations equipped with loading and container sites, with weight-handling equipment and warehouses, are also involved in freight haulage.

Reach stacker

A heavy-duty loading machine that are designed for working with small and medium-sized containers and can handle loads of up to 45 tonnes. They can process containers and trailers as well as perform loading and unloading in industrial conditions.

Schedule

A schedule is the basis of a smooth train journey. It unites the operations of all railway departments on which freight and passenger deliveries depend. Schedules are used in all countries of the world in which freight trains operate and are created with the help of computers, which are used to control schedule fulfillment.

Stacking

Putting containers on top of each other before hauling or holding.

Stevedore

A company or an individual that loads and unloads ships. It is hired by a ship owner or a freighter.

Tank container

A container that consists of two basic elements: one or more tanks and a frame manufactured to ISO 1496-3.

TEU (twenty-foot equivalent unit)

A unit to measure transportation flows, a TEU corresponds to the size of a 20-foot (6.1 m) ISO container. A standard 40-foot ISO container equals two TEUs.

3PL (third-party logistics)

This term is used when logistics services are purchased from a third party. A company that provides 3PL services assumes responsibility for all logistics and transportation operations, including interaction with suppliers and purchasing, allowing clients to significantly reduce, or even cease to require, their own logistics capacity.

Through rate

A single inclusive price for the door-to-door transportation and delivery of a container. The price is set for one container and fixed for a certain period upon agreement with a client, if the client undertakes to provide a certain minimum volume of traffic.

Transit

Freight passing from one country to another through a third country. Whether cargo is permitted to transit a certain country and under what terms is subject to trade agreements and treaties between countries. Direct transit is when foreign goods are shipped under tariff protection, without holding at a customs warehouse; indirect transit is when goods arrive at customs warehouses and are then transported abroad.

Unified container transport system

Adopted in Russia and several other countries, this system means that cargo shipped in a container travels from sender to receiver via various means of transport with its integrity and security guaranteed. Several conditions must be met for the container transportation system to function. Most importantly, there must be a fleet of containers. Their size and construction must be uniform so they can be shipped in railway vehicles, in trucks and in ships' holds. In addition, they must be compatible for transfer from one means of transport to another and they must have special attachments so that cranes can load them.

Corporate details

FULL NAME:

JSC "Centre for cargo container traffic "TransContainer"

ABBREVIATED NAME:

TransContainer

LOCATION:

Russia, 107228, Moscow, Ulitsa Novoryazanskaya, 12

POSTAL ADDRESS:

107174, Moscow,
Ulitsa Kalanchevskaya, 6/2

STATE REGISTRATION INFORMATION:

Date of state registration
4 March 2006

PRIMARY STATE REGISTRATION NUMBER (OGRN)

1067746341024

STATE REGISTRATION LICENSE ISSUER

Moscow Interdistrict Inspectorate #46
of the Federal Tax Service

TAXPAYER IDENTIFICATION NUMBER (INN)

7708591995

TELEPHONE:

+7 (499) 262 85 06

FAX:

+7 (499) 262 75 78

WEBSITE:

www.trcont.ru

EMAIL:

trcont@trcont.ru

BANK DETAILS:

INN: 7708591995
KPP: 997650001
R/s: 40702810900000007269
K/s: 30101810600000000562
BIK: 044525562

COMPANY AUDITOR:

Full name:
CJSC Deloitte and Touche CIS

Abbreviated name:

Deloitte and Touche CIS

Location:

125047, Moscow, Lesnaya, 5,
Building B, Belaya Ploshchad
(White Square) business center

Telephone:

+7 (495) 787 06 00

Fax:

+7 (495) 787 06 01

Email:

moscow@deloitte.ru

Auditor license number:

E 002417

License issue date:

31 October 2007

License expiry date:

6 November 2012

License issuer:

Russian Finance Ministry

COMPANY REGISTRAR:

Full name:

CJSC Registration Company Status

Abbreviated name:

Status

Address:

Russia, 109544, Moscow, Ulitsa
Novorogozhskaya, 32, Building 1

Telephone/fax:

+7 (495) 974 83 50, 974 83 45

Email:

office@rostatus.ru

License number and date of issue:

10-000-1-00304 of 12 March 2004

License issuer:

Federal Financial Markets Service

License expiry date:

indefinite

**Date when the registrar began
maintaining the register:**

20 June 1997

PRESS CENTER:

Telephone/fax:

+7 (495) 637 90 44, ext. 43-60

Email:

RostovaNV@trcont.ru

